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# ***JPRS Report***

## **East Asia**

### ***Southeast Asia***

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# East Asia Southeast Asia

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### **Official on ASEAN Economic Cooperation**

42130009c Jakarta KOMPAS in Indonesian  
10 Sep 87 pp 5, 7

[Excerpts] Although it has not been as good as hoped for, for the last 20 years ASEAN, as an area of economic cooperation, has proved itself able to meet various internal and external challenges. Even though uncertain world economic conditions have had a negative effect on the economies of the ASEAN nations, in particular in the first half of the 1980's, this has not prevented ASEAN nations from increasing their economic cooperation. Wisber Loeis, director general of the ASEAN national secretariat, made this statement at National University (UNAS) on Sawo Manila Street in Pejaten, South Jakarta, yesterday afternoon in a speech entitled "ASEAN on the Eve of its Third KTT" [High Level Conference]. He gave this speech during a 1-day conference organized in connection with ASEAN's 20th anniversary. Wisber Loeis emphasized that although ASEAN economic cooperation was slow and limited, especially during the first decade of its existence, these problems were not caused by a lack of political willingness to cooperate. It took a long time to develop ASEAN economic cooperation, both to look into the feasibility of areas of cooperation and to reach domestic agreements. "The aim was not to damage the interests of ASEAN nations as a result of regional economic cooperation," he said. Wisber Loeis said that preparations for ASEAN's KTT were underway right now and that there are new initiatives to increase ASEAN cooperation. "There are high hopes that ASEAN's KTT will be able to achieve new break throughs, which will increase ASEAN's strength and solidarity," added Loeis.

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### **Foreign Contractors' Oil Exploration Requirements Relaxed**

42130009a Jakarta KOMPAS in Indonesian  
28 Sep 87 p 12

[Text] In an effort to stabilize future oil production the government is determined to increase exploration for oil in Indonesia. The government is therefore trying to relax regulations, and it is hoped that this will give an impetus to exploration.

In response to questions from KOMPAS in Jakarta last Saturday [26 September], Drs Hardjoko Seputra, head of the public relations office of the Department of Mining and Energy, said that requirements will be relaxed for foreign contractors who carry out oil exploration in Indonesia at their own expense and risk. However, he did not state how many companies were being facilitated in that way.

These relaxed requirements were based on a letter written last February by the minister of mining and energy to the coordinating minister for economics, finance, industry and development oversight. The letter requested a relaxation of requirements for profit-sharing contracting companies in Indonesia which assume the full risk and expense of exploration.

The above covers the procurement of material and of subcontracting, which formerly had to follow the sections in the presidential decision which concern APBN [National Budget] regulations and which were controlled by the Procurement Control Team. Included was the regulation that procurements or subcontracts valued at less than 500 million rupiahs have to be handled through the Department of Mining and Energy and those valued at more than 500 million rupiahs through the State Secretariat.

### **Themselves Alone**

With these new regulations profit-sharing contractors who are only carrying out oil and gas exploration in Indonesia are allowed to handle procurement and subcontracting.

However, as determined by the minister of finance, a contractor who has entered the period of commercial production will be audited by the Finance and Development Oversight Board, especially those expenses incurred both before and after the production period.

The minister and state secretary, acting as chairman of the Government's Material Procurement and Equipment Control Team, in a letter dated 11 April sent to the chief director of PERTAMINA [National Gas and Oil Company] promulgated several regulations that contractors have to follow. This includes the regulation that the winning subcontractors have to be selected competitively so that the price is reasonable. This is considered very important since if exploration activities are successful, the costs are factored into the cost of producing oil and natural gas.

Contractors also have to make use of domestic companies, goods and services if they were available. Using foreign companies, goods and services will only be allowed if domestic abilities in these areas do not yet exist, and PERTAMINA and the Government's Material Procurement and Equipment Control Team have to agree to any exceptions.

Contractors have to report the winners to PERTAMINA, which will send a copy of the report to the Finance and Development Oversight Board for examination and for use as material for an audit if that company enters the period of commercial production.

### **131 Contracts**

A. R. Ramly, chief director of PERTAMINA, said in Singapore last week that since Indonesia's first profit-sharing contract in 1964 about 131 contracts had been signed, 4 of them in the first half [as published] of 1987.

Oil exploration has been declining in other countries but it is still strong in Indonesia. Contractors who assume the entire cost of exploration are still eager even though the price of oil is gloomy. The impetus behind this is the high degree of success of contractors in drilling for oil.

Ramly said that although OPEC has limited the quota, Indonesian oil production has still managed to reach 1.6 million barrels a day. However, Indonesia has to maintain seismic research and drilling activities in order to obtain stable oil reserves.

In 1987 Indonesia plans to carry out seismic exploration covering 40,000 km and to drill 200 exploratory wells and 500 development wells. About \$2.359 billion have been budgeted for this.

Eng Suyitno Padmosukismo, PERTAMINA'S director of exploration and production, said that Indonesia has also begun exploration for oil in the open sea. Producing wells have only gone down to 90 meters so far, but exploration is being carried out in 300 to 400-meter deep waters off the coast of Aceh. This will be followed by exploration up to 700 meters deep. 9846

#### **Scholars Judge Parliament Lacking Courage, Persuasiveness**

42130013a Jakarta *SUARA PEMBARUAN*  
in Indonesian 22, 23 Sep 87

[22 Sep 87 pp 1, 7]

[Excerpts] Jakarta, 22 September—The control function of the Indonesian Parliament at present is still weak. Members of the legislative body act like soccer players who feel that they are already defeated before they play. They lack courage in voicing the aspirations of the people because they wish to preserve the rather important status which they have. Considered individually or as a group, they lack the innate quality which is particularly important and necessary in our situation of cultural diversity.

This is the conclusion of a special interview which a PEMBARUAN representative recently had with Dr Yahya Muhaimin, chairman of the international relations section in the Faculty of Political Science of the University of Gajah Mada in Yogyakarta; Prof Dr H. A. Muis, professor of communications and press law on the Faculty of Political Science of the University of Hasanuddin and chief of the UPBJJ-UT in Ujungpandang [South Sulawesi]; and Dr J. C. Tukiman Taruna, a scholar in the fields of philosophy and theology who now lives in Ungaran, Central Java.

In addition to them we also had a separate interview with Master of Laws Oka Mahendra, a member of Parliament belonging to the Functional Development Faction. The results of these interviews appear in two articles, of which this is the first. The second article will appear on 23 September.

Dr Yahya Muhaimin stated that the weakness of the control function of Parliament at present is related to three factors which influence it: that is, the cultural factor, the system for the election of members of Parliament itself, and the level of their political education.

#### **Political Culture**

He declared that our political culture, which finds it difficult to be frank and seeks to avoid hurting another person, has been carried into the mechanism of Parliament as an institution. As a result, members of Parliament are reluctant to express criticism openly. Indeed, it goes further than this. Members of Parliament are still afraid of losing their status as members of this institution. He said: "For their own security, they do not do things which are too risky for their position."

Using a rather different formulation, Prof Dr H. A. Muis stated that the weakness in the control function of Parliament in the field of development is due, among other things, to the fact that many members place a higher priority on their social status or pursue their political careers, rather than the interests of the people whom they represent. They lack the courage to voice the aspirations of the people because they wish to preserve the rather important status which they have successfully achieved.

Another factor, according to this columnist and expert in the field of communications, is the conversational tradition of our people which is not accustomed to people from the bottom of society speaking to those at the top, particularly when these comments contain criticism or perform a social control function.

#### **Innate Quality**

Dr J. C. Tukiman also considers the cultural factor as one of the causes of weakness in the control function of Parliament. He said that this weakness in the control function is caused by non protocolary and unwritten aspects which are colored by non supportive cultural similarities, in addition to the fact that many members of Parliament lack any special identity.

This causes members of Parliament, both individually as well as a group, to lack those basic characteristics which, in fact, are needed in a situation of cultural diversity. Indeed, those who become members of Parliament tend to leave their previous customs behind and later, in general, their patterns of behavior. Perhaps there are only a few members of Parliament who are considered experts in any field. However, unfortunately, they are also considered as representative of all of them.

He added: "I don't agree with the attitude of always regarding Parliament as a group. Whatever the respective individual and special characteristics of a member, these should not simply disappear."

Later, Yahya Muhaimin stated that, in fact, the system for the election of members of Parliament is rather long and complicated from the time they become candidates until the election. This has left members of Parliament feeling that they have slipped through the eye of a needle.

In Yahya Muhaimin's view the government itself always has a tendency of avoiding questions which can create instability. In addition, it tries hard to reach its goals in an effective way. To do this, all government officials must be able to ensure the security of the state. For this reason candidates for Parliament are rather carefully screened.

In this screening process the political interest of the review process itself, for better or for worse, is closely bound together, although, in fact, at the beginning of this process the objective did not involve political considerations but rather the security aspect or the good behavior of the candidate and the family relationships involved.

With such an elections system, Yahya Muhaimin said, government interests cannot be prevented from becoming involved. The government is represented by people who sit on the BAPILU [General Elections Control Board]. Of course, in this situation they will select people who can be invited to cooperate and they will avoid selecting people who, they believe, cannot be invited to cooperate. People considered capable of creating instability and inefficiency will, of course, be eliminated in the preparation of candidate lists.

### Debt of Gratitude

He added that this long and complicated process makes a person elected to Parliament feel that he has escaped from any further difficulties. And it is a characteristic of our nation that, if we have escaped any further difficulties, that is considered a blessing. Indeed, they feel a debt of honor to the government. He continued: "In view of this feeling that he owes a debt of honor, of course, a member of Parliament will not reflect this by using harsh language or sharply criticizing the government."

Although this is true, a member of the military sector of Parliament admitted that there are, in fact, one or two members of Parliament who really speak up. He said that this is necessary for the system itself in order to project the appearances of democracy.

The third factor which Yahya Muhaimin considers as a cause for the unwillingness of members of Parliament to speak out is their average education which, in general, is still rather low. Therefore, they find it difficult to compete with cabinet ministers who generally have attended an institution of higher education and have corresponding prestige.

Even if a member of Parliament has had a higher education, generally he belongs to the Golongan Karya [Functional Group] party, which supports the government. Thus, there is a considerable difference in education between members of Parliament and government officials. Therefore, it is difficult to hope that the functional control of Parliament will operate as hoped for by the group which has had higher education.

Yahya Muhaimin hopes that such a system will not continue in the future. In the view of intellectuals and university students, this system is considered to have failed to provide an opportunity for the control function.

He stated that with the acceptance of the Pancasila [five principles of the nation] as the single founding principle opportunities needed for the creation of a control system so that there will be dynamic life in our political system.

Master of Laws Oka Mahendra, in his statement to a PEMBARUAN representative, also admitted that during the three terms of Parliament when he served as a member he felt that the control function performed by the legislative body should be strengthened.

Yahya Muhaimin warned that, in order to improve the level of the control function, we need to recall that the cultural factor, the system for the election of members of Parliament, and their level of education have made our members of Parliament into something like soccer players who are defeated before they begin to play.

[23 Sep 87 pp 1, 12]

[Excerpts] Hopes in the Parliament To Be Installed in Office on 1 October

Commenting further, Dr Yahya Muhaimin, a staff instructor in the Faculty of Political Science of the University of Gajah Mada, said that there are indications that Parliament does not pay enough attention to questions involving the life of the people. He said: "Parliament should look into problems before a citizen complains about them."

### Trapped by the Bureaucracy

According to Yahya, it happens at times that Parliament learns of a problem through the newspapers but does not wish to raise the question openly at a legislative session because of a variety of political and personal factors.

On the other hand, it can happen that the people do not come to the courts because they consider that the courts are not doing their job. They think that, even if they do go to court, it is not certain that their problem will be resolved. If the court hands down a verdict on the problem, the people feel that it is not well considered or just, he said.

Meanwhile, Dr J. C. Tukiman Taruna, a philosopher and theologian, said that the people are often left with a question as to the channel through which their complaints should be submitted: through the police, through the legal assistance institute, through the newspapers, through the courts, or through whom. As of now, they continue to be confused.

He asked why is this so and then answered the question himself. When a complaint is sent to Parliament, it is caught in the toils of the bureaucracy. It is not easy, each time that a person makes a complaint. They must come officially and be received in an equally official way. He again asked whether this process cannot be simplified, bearing in mind the fact that the people think in so simple a way. They want to hear the views of the authorities.

He again asked why the people always say that if they make a complaint, the person who makes it usually winds up dissatisfied. Indeed, the complaint often involves criticism. For that reason the people wish to get the attention of the superiors of the authority involved.

**Political Education According to Tukiman Taruna**  
**This situation is a consequence of the political education of the people, which does not function perfectly. Even members of Parliament must provide political training to the people supporting them, in addition to the political parties or GOLKAR [Functional Groups party]. That is, the way to do things or clarify them, through the community as a whole.**

However, he added, since members of Parliament operate within the framework of a specific group, in fact they do not benefit from trying to deal with problems related to the aspirations of the ordinary people. Perhaps, as a practical matter, only those who live far away from Jakarta deal with these problems. They do not need to come to the capital except to attend formal sessions and continue to live in their districts, saving further expenditure. However, in fact, their efforts devoted to serving the wishes of the people are not apparent. For example, if they live at home and are members of local organizations, they will directly learn about community problems. Tukiman Taruna said: "This is the situation affecting members of Parliament, because if they were members of a provincial council, most of them would already be living among the people."

### **Directly Hearing the Voices of the People**

Still speaking of the control function of Parliament, Master of Laws Oka Mahendra said that at present it is felt that during visits to the provinces parliamentary commissions almost always hear only the views of local government offices. In the future it would be best to have Parliament directly hear the voices of the people.

The same matter was discussed by H. A. Muis. For that reason he hoped that the Parliament which will shortly be installed in office will pay attention to the aspirations of the people in the future.

He added that Parliament needs to make an effort to find effective ways for providing protection against criminal acts which are increasingly disturbing the people at present. For example, he indicated, taking action to pass emergency anti-criminal legislation, which would order penalties far beyond what is contained in the provisions of the present KUHP [Criminal Code].

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### **Tax Revenue Shortfall Cited**

*42130013c Jakarta KOMPAS in Indonesian  
29 Sep 87 p 1*

[Text] Jakarta, KOMPAS—Actual receipts of taxes during the first six months of fiscal year 1987-88 have created concern that it will be difficult to achieve the tax receipts goal of 7.3 trillion rupiahs. In percentage terms actual receipts are a little lower than they were during the same period of the previous fiscal year.

Salamun Alfian Tjakradiwirja, director general of taxation, made this statement when he opened a Coordinating Meeting of Chiefs of Provincial Tax Offices at the Directorate General of Taxation in Jakarta on 28 September. The 2-day meeting is intended to determine the steps to be taken to achieve the tax receipts goal.

Without stating precisely what tax receipts were during the first half of fiscal year 1987-88, Salamun said that, in terms of absolute figures on the amount of taxes collected, receipts this year were larger than during the same 6-month period of fiscal year 1986-87. However, in terms of the percentage of the target achieved in the respective fiscal years, the amount collected this year turns out to have been a little smaller than it was last year.

He said: "Basically, it is a matter of concern to the senior officials of the Directorate General of Taxation that it will be difficult to achieve our goal under the APBN [state budget]." However, he told the press that this concern did not mean that, in practice, the target will not be reached. Perhaps during the final months of the fiscal year, and that usually happens, rather large collections of taxes will be made which can compensate for the low receipts during the first half of the year.

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## New-style Chamber of Commerce Formed

### Membership Expanded to 33

42130009d Jakarta MERDEKA in Indonesian  
25 Sep 87 p 1

[Text] The Indonesian Businessmens' Council (MPI) has again asked the DPH (Executive Board) of KADIN [Indonesian Chamber of Commerce and Industry] to be the new KADIN DPH in accordance with Law No 1 of 1987 about KADIN. New elements, such as BUMN (State-owned Company Board) and cooperatives, will become part of the DPH structure. KADIN's DPH, which used to have 27 members, has now expanded to 33 members. Sukamdani S. Gitosardjono has been chosen as the DPH's general chairman in an agreement reached between the three members elected to form the board, Sukamdani S. Gitosardjono from the private sector, Soedarsono Hadisapoetro from the cooperative sector and T. Ariwibowo from the BUMN sector. The remaining members of the board are DPH deputy general chairmen Probosutedjo, Arnold Baramuli, Djukardi Odang, Siswono Yudohusodo, Eric Samola, Tony Agus Ardie and Supayitno. The MPI also formed a KADIN Advisory Council chaired by Soedarsono Hadisapoetro with deputy chairmen T. Aribowo, Gen (ret.) Sumitro, Agus G. Kartasmita, Sharif C. Sutardjo and 28 members from KADIN's three component elements. At the close of the MPI's meeting in Jakarta last night all of KADIN's component elements accepted the proposed AD/ART [laws and by-laws], which KADIN had proposed at the end of its special national congress.

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### Minister Clarifies Formation

42130013b Jakarta ANGKATAN BERSENJATA in Indonesian 24 Sep 87 pp 1, 12

[Text] Jakarta, ANGKATAN BERSENJATA—Minister of Trade Rachmat Saleh stated that cooperatives, the BUMN [State-Owned Enterprises Board], and private organizations will be included in the future KADIN [Chamber of Commerce and Industry], in accordance with Law No 1 of 1987, so that these three groups will be increasingly creative, function more effectively, and communicate appropriately, in the interests of the successful implementation of the development program.

After reporting to President Soeharto on 23 September at Cendana Palace [the president's residence in Jakarta] on the opening of the National Conference of KADIN earlier on the same day he stated to reporters that the Conference of Indonesian Businessmen (MPI) will also be held on 23 September, attended by the three groups referred to above.

The minister asked that the concern over whether the BUMN would be included in the Chamber of Commerce and Industry, meaning that the government was becoming too much involved in the activities of businessmen, should be reduced. He added: "I think that there is no need for such fears."

According to Rachmat Saleh, the important thing is that we are encouraging the BUMN to become a member of KADIN so that organization of businessmen will be more complete. He also rejected the view that the inclusion of cooperatives in KADIN would reduce the role of DEKOPIN [National Council of Cooperatives]. The council continues to exist, and there is no need for it to be in conflict with KADIN. In answer to a question from a reporter the minister indirectly said that there is a view among business associations that they are receiving less attention by comparison with provincial chambers of commerce and industry.

This matter needs to be considered jointly, so that the associations will feel more welcome in KADIN and will play a broader role in the future. Certainly, the meeting of Indonesian businessmen will consider the steps to be taken which could lead to a balance between the voices of the associations and the voice of provincial chambers of commerce and industry.

The Conference of Indonesian Businessmen which will be held in Jakarta will bring together this time cooperatives, the BUMN, and private companies, in which the three elements stand together in a large forum. The three groups will have altogether a quota of 90 delegates. However, the delegation representing provincial chambers of commerce and industry will be larger: 81 members, compared with the representatives of the associations, which will have 50 delegates.

5170

## Rice Production Viewed

### North Sulawesi's Rice Import

42130009b Jakarta SUARA PEMBARUAN in Indonesian 3 Sep 87 p 3

[Text] Because of the large choice of commodities available for planting, North Sulawesi's program for self-sufficiency in rice has not yet been achieved. North Sulawesi still imports 75,000 tons of rice a year. This was stated by Eng Soewarto, head of North Sulawesi's DOLOG [Logistical Depot] in response to questions from reporters on Monday 31 August. He added that the dream of self-sufficiency has not yet become a reality because the farmer still feels he can make more of a profit from planting other more profitable crops, such as cloves, coconuts, or nutmeg. In his meeting with the press Soewarto said that his office imports 36,000 tons of rice budgeted for distribution to ABRI [Republic of Indonesia Armed Forces] and to government officials. About 40,000 of the 75,000 tons imported come from



other islands in Indonesia. DOLOG-supplied local rice is not certain because the market price of about 350 rupiahs per kilogram is higher than DOLOG's basic price of 311 rupiahs per kilogram. Up to July of 1987 DOLOG had taken in only 800 tons of local rice from North Sulawesi.

### **New Rice Fields**

42130009b Jakarta SUARA KARYA in Indonesian  
18 Sep 87 p 1

[Text] President Soeharto has asked for continued creation of new rice fields, even though the Supra-INSUS [Special Intensification] program has been successful in increasing rice production. The creation of new rice fields is the long-range part of plans to increase production. After being received by the president at the president's residence yesterday, Wardoyo, junior minister for food production, said that the president had also asked him to overcome obstacles to the creation of new rice fields. The goal has been to create 300,000 new rice fields during PELITA [5-Year Plan] IV, but only 135,166 hectares have been created up to now. During PELITA III the goal was to create 350,000 hectares but only 170,000 hectares were created. So 34,000 hectares of new rice fields were created during each year of PELITA III. Wardoyo said that there are two approaches to creating new rice fields during PELITA IV—the expense credit method and the independent method. The expense credit method only managed to create 12,439 hectares, while the independent method, in which the government only provides guidance, managed to create 122,700 hectares. The independent method, therefore, creates more new rice fields. Wardoyo said that his office also gets agricultural agencies involved. During PELITA IV only 38,158 hectares out of the 92,425 hectares whose certificates were processed had actually been granted a certificate. He said that it takes a long time to grant a certificate because of the need to classify the land and because of other agrarian problems. Another factor accounting for these delays is the problem of management. A decrease in the budget has made it necessary to decrease the number of workers in the project administration unit (UPP).

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### **Biographic Information on Indonesian Personalities**

#### **Maj Gen Hasudungan Simanjuntak**

42130010a Jakarta KOMPAS in Indonesian  
4 Sep 87 p 3

[Excerpt] Maj Gen Hasudungan Simanjuntak is now the Army inspector general. This office was transferred on 3 September from Major General Soekoso, the former

incumbent, to Major General Simanjuntak at the conference room of the Army inspector general on Jalan Kramat Raya, Jakarta. Maj Gen Hasudungan Simanjuntak was previously governor of the military academy in Magelang [Central Java].

#### **Colonel Sunarso**

42130010b Jakarta KOMPAS in Indonesian  
15 Sep 87 pp 1, 8

[Excerpts] Minister of Home Affairs Soepardjo Rustam installed Colonel Sunarso in office as deputy governor of South Kalimantan at a ceremony at the Ministry of Home Affairs on 14 September. Colonel Sunarso previously served as commander of Military District/Benua 5 in Military Region X/Lambung Mangkurat, which covers five regencies. Later he was commander of Military District 101/Antasari in Military Region VI/Tanjungpura, which covers all of South Kalimantan. In his report presented at the transfer of command ceremony H. M. Said stated: "Colonel Sunarso is already rather well known in South Kalimantan and is well acquainted with the province."

#### **Colonel Suryatna**

42130010c Jakarta KOMPAS in Indonesian  
15 Sep 87 pp 1, 8

[Excerpts] Minister of Home Affairs Soepardjo Rustam installed Colonel Suryatna in office as deputy governor of West Java, replacing Col Aboeng Koesman, the former incumbent, at a ceremony held at the Ministry of Home Affairs on 14 September. Before being appointed deputy governor of West Java Colonel Suryatna had previously been director of development [DIRBINLEM] at the Army Staff and Command School. He was born in Cianjur [West Java] on 7 October 1939. He previously served as assistant for operations in Military Region VI/Siliwangi and as chief of staff of Military Region XIV/Hasanuddin.

#### **Engr Mario Viegas Carrascalao**

42130010d Jakarta SUARA KARYA in Indonesian  
21 Sep 87 p 6

[Text] In the name of the president Minister of Home Affairs Soepardjo Roestam, at a ceremony held in Dili [East Timor] on 18 September, installed Engr Mario Viegas Carrascalao in office as governor of East Timor for a second, 5-year term covering the period 1987-1992.

Engr Mario Viegas Carrascalao was born in Vinelale, Baucau Regency (East Timor) on 12 May 1937. He attended elementary school at Dili Primary School (1950-1954), junior high school at the Dr Francisco Vieira Machado Lycee College in Dili (1954-56), and senior high school at the Dom Joao De Castro Liceu in Lisbon (1956-1961). He studied forestry at the Higher Institute of Agronomy at Lisbon Technical University

(1961-1966). Later he attended post graduate specialist studies (1966-1967) in tropical forestry at the Higher Institute of Agronomy of Lisbon Technical University.

Carrascalao began his career in 1968 as an assistant to the director general of forestry services in the Ministry of Economy (Portugal). In 1969 he was a research assistant at the New Mozambique Institute of Agronomical Research. From 1970 to 1975 he was chief of the East Timor Agricultural and Forestry Service. In addition, he was a member of the Board of Directors of the Caixa de Credito [Savings Bank] of Dili and of the Board of Directors of the Dili Development Fund. Between 1970 and 1975 he was a member of several delegations of the Provisional Government of East Timor to the United Nations. From 1976 to 1977 he was a member of several Indonesian delegations to the United Nations. In 1977 he became an employee of the Department of Foreign Affairs. From 1977 to 1980 he was a member of several Indonesian delegations to the United Nations. From 1980 to 1982 he was minister counselor of the Indonesian Permanent Delegation to the United Nations in New York. From 1982 to 1987 he served as governor of East Timor. Based on Presidential Decision Letter No 217/M/1987 he was reappointed governor of East Timor for the period from 1987 to 1992.

#### **Governor Sebastianus Soekoso**

42130010e Jakarta *SUARA KARYA* in Indonesian  
23 Sep 87 p 1

[Excerpts] Minister of Home Affairs Soepardjo Rustam installed Maj Gen Sebastianus Soekoso in office as the new governor of Maluku for the period from 1987 to 1992 at a ceremony held in Ambon on 22 September. He replaces Hasan Slamet, the former incumbent, who had served in Maluku for 11 years and 2 months. The installation in office was based on Presidential Decision Letter No 224/M/1987, dated 16 September 1987.

#### **Brig Gen Wawan Suwandhi**

42130010f Surabaya *SURABAYA POST* in Indonesian  
27 Aug 87 p 4

[Excerpt] On 22 September Brig Gen Wawan Suwandhi, director of mobilization, demobilization, and people's training in the Directorate General of Veterans Affairs of the Department of Defense and Security, died following an illness.

#### **Lieutenant General (Retired) Wahono**

42130010g Jakarta *PELITA* in Indonesian 7 Sep 87 p 5

[Text] Who is Wahono? Perhaps there is no other answer more accurate regarding him than to say that he is a person who is very strict about being on time and is highly disciplined. He is very simple in appearance. He is interested in studying in order to advance in his career.

He was born in Tulungagung, East Java, on 25 March 1925. He became governor of East Java in 1983. He was director general of customs and excise at the time he was appointed governor of East Java and apparently was not at all surprised at this nomination. As a person who likes to study, in accordance with his own principles, he works while he studies and studies while he works. Apparently, he is ready to be assigned anywhere, although the new position which he holds is something unusual for him.

As soon as he became governor, his first concern was to establish discipline. He himself set an example for his subordinates. He comes to his office right on time at 0700. He promised when he became governor that he would give priority to the development of discipline. Up to the present discipline is one characteristic of Wahono's which has never been neglected. He continues to arrive early at his office, to keep strictly to working hours, and to provide an example to his subordinates.

His promise to give first priority to the development of discipline has brought results. As he once said, a few years ago: "We should make sure that the results we achieve do not come to nothing." Development in East Java has gone very well. East Java is a province which is able to feed itself and is in first place in terms of food stocks. In this connection East Java is among the provinces which have large populations.

The governor, who is now 62 years old, began his education at a MULO [Dutch elementary school during the colonial period] in Kediri. He served in the PETA [Indonesian militia organization during the Japanese occupation of Indonesia in World War II], attended the Army Staff and Command School twice, senior high school, and the Faculty of Social and Political Science at the University of Jaya Baya. He has held a number of military posts, including command of a battalion in Bandung and a supply battalion in East Java. He was on the Army command staff, was second assistant to the chief of staff of the Army Strategic Reserve Command [KOSTRAD], deputy chief of staff of KOSTRAD, chief of staff of KOSTRAD, commander of KOSTRAD, commander of Military Region VIII/Brawijaya, deputy chief of staff of the Army, and served in a number of other military positions.

#### **Abstinence**

This retired lieutenant general attracted the attention of people in East Java living below the poverty line, from the time he became governor until the present. Therefore, it is not surprising that in connection with the Fourth 5-Year Plan which is now in effect he is determined to remember the welfare of the people of East Java in the eight major programs being carried out under it.

When he begins a new task, this former director general of customs and excise and ambassador to Burma always prepares himself. As he was quoted as saying by a column in TEMPO magazine: "If we don't do things in an orderly way, the things we do will never be finished."

Throughout his life Wahono has had a practice of getting up before sunrise. And one of his pleasures is to enjoy playing golf and tennis. When he was still a young man, he liked to play volley ball, badminton, and soccer.

The governor works hard and in a disciplined way. He has six children: four sons and two daughters. He married Parahiyangan Mintarsih Syahbandar in 1951. As governor of East Java, Wahono is known for his determination in resolving problems of development. As seen by the results, East Java continues to deal in determined fashion with various difficulties which have always faced it.

### **Major General Sarwono**

42130010h Jakarta SUARA PEMBARUAN  
in Indonesian 20 Sep 87 pp 1, 11

[Text] A few years ago, when he was still a major, an acquaintance of his sent him a message: "Sir, when you advance in the service, you may become a general. Don't be too severe and lose your temper too easily, all right?" And Sarwono nodded and smiled as he agreed. He continued to remember this message when he became a major general in the Indonesian Army.

In July 1987 he once again met his acquaintance, who in fact is a woman reporter for a Jakarta newspaper. He had become Major General Sarwono, former assistant for reserve affairs in the Security and Order Command at headquarters of the Indonesian Armed Forces and now serving as secretary general of the Department of Social Affairs.

His acquaintance asked: "Sir, do you still remember the message I sent you?" Smiling jovially, General Sarwono greeted her and gave her a pat on the back. She has a very good figure but likes a joke. He answered: "Of course. From the time I was a major until now, when I am a major general, I am still the same."

The reporter said, with pleasure in her voice: "Thank God for that."

Indeed, the general's appointment to the Department of Social Affairs has created a new atmosphere, because the general, who was born in Surakarta [Central Java] on 31 August 1932, shows no sign of rigidity of the kind which many people, including reporters, fear. He smiles easily, likes to say hello to people, and speaks to people, whether they know him or not.

His military career began to develop clearly when he was commander of Regiment 072/Pamungkas, which had under it the Special Area of Yogyakarta and Kedu

[Central Java]. At the time this area was considered rather insecure. Furthermore, this was in 1978, when the political temperature in Indonesia was rising.

He displayed a prudent attitude but was firm when necessary. He succeeded in keeping his area free from political flareups which were rather serious at the time.

History records how Colonel Sarwono smoothly and intelligently dealt with disturbances among the university students of Yogyakarta, which were getting out of hand. He invited the students to talk to him and developed lines of communications and mutual understanding. History also records how Colonel Sarwono had the courage to deal with the threat of Admiral Soedomo (then deputy commander of the armed forces and deputy commander of the Security and Order Command) to hang him if the public reading of the poems of Rendra in Yogyakarta should encourage other political disorders, particularly among university students and intellectuals. Yogyakarta has long been known as a center of cultural and intellectual activity which should be taken into account.

He stood with reporters, watching the reading of Rendra's poetry, and said: "I am ready to be hanged if Rendra makes trouble." Fortunately, the reading of Rendra's poetry went off quietly, and the city of Yogyakarta continued to be calm. Rendra has not forgotten this incident, even now. He says that Sarwono is an Indonesian officer who wants to understand and appreciate him.

Sarwono says with pleasure: "I still have good relations with Rendra. Whenever he has a show, he always sends me an invitation."

After his time in Yogyakarta his career began to move quickly. Between 1979 and 1980 he served as chief of staff of Military Region IX/Mulawarman (East Kalimantan). From 1981 to 1983 he served as chief of staff of Military Region VII/Diponegoro, whose headquarters are in Semarang [Central Java].

From 1983 to 1984 Sarwono was assigned to higher commands as deputy commander of Defense Area IV, which included Maluku and Irian Jaya. When he completed this assignment, he was brought back to headquarters of the Indonesian Armed Forces as assistant for reserve affairs to the commander of the Security and Order Command and minister of defense and security.

Regarding his present assignment, to which he was appointed on 8 July 1987, General Sarwono commented with a broad smile: "As a soldier, duty is the same, wherever it may be. There is no position which is higher or more important. The fact is that reserve affairs are still closely connected to questions of social welfare."

He continues to have close and warm relations with reporters. And in dealing with "naughty" members of the press, Sarwono has a special recipe. He said with a smile: "I just invite them in for a chat until they are satisfied. Then I treat them to a meal." He means that if we always show good faith and are able to communicate, every problem can be resolved and dealt with.

When he met with reporters from the press room at the Department of Social Affairs for the first time recently, he said: "The role of the press is clear and very broad.

Your important task is to provide information and understanding and then to invite the people to participate in the development of social welfare. For development in this area is not exclusively the responsibility of the government or of government officials. The participation of the people is very much needed. Now that's my message to you."

05170

**U. S. Investment in Malaysian Manufacturing Increased**

42130011a Kuala Lumpur *BERITA HARIAN* in Malay  
8 Sep 87 p 7

[Text] Kuala Lumpur, 7 September—United States investments in the Malaysian manufacturing sector during the first 6 months of 1987 increased by 46 percent, or about \$5.1 million (12.75 million Malaysian dollars), compared to the same period of 1986.

Minister of Trade and Industry Datin Paduka Rafidah Aziz said that this increase showed that Malaysia is an attractive country for foreign investors. She was convinced that total investments will increase from time to time. In connection with that the minister will lead a trade and investment mission of local businessmen to the United States at the end of September.

She made this statement when she spoke at a meeting of the Bilateral Investment and Trade (BIT) Council held in Kuala Lumpur on 7 September.

She hoped that the meeting will result in greater investment from the United States, in addition to Malaysia's providing a number of facilities for investors.

Datin Paduka Rafidah said that, according to the most recent research in her ministry, at present the United States is the fifth largest country investing in Malaysia, with 96 investment and long-term capital projects, valued at \$269 million (672.5 million Malaysian dollars).

This does not include a number of investments in a number of states in the United States which earn financial returns from third countries, such as Singapore, Hong Kong, Bermuda, and Europe, involving the investments of oil companies, such as Esso.

She said that, according to the most recent research carried out by the United States Chamber of Commerce, the value of United States long-term capital invested in Malaysia in 1983 was \$3.3 billion (8.25 billion Malaysian dollars).

This investment brought in annual sales of \$78.4 billion (196 billion Malaysian dollars) and provided employment to 64,000 people in Malaysia.

In this context National Semiconductor, which began its operations in Malaysia at the beginning of the 1970's, is now five times larger than it was, with a total invested capital of \$135 million (337.5 million Malaysian dollars).

**Shipping Agreement To Boost Trade With China Announced**

42130011b Kuala Lumpur *BERITA HARIAN* in Malay  
15 Sep 87 p 2

[Article by Ahmad A. Talib]

[Text] Beijing, 14 September—On 15 September Malaysia and China will sign a shipping agreement which will give favored treatment to Malaysian ships calling at ports in this country.

This means that ships of the Malaysian International Shipping Company (MISC), of the Pemas National Shipping Line (PNSL), and ships chartered specifically for the transportation of merchandise exported from Malaysia to China will be given priority in obtaining port services, compared to ships of other countries which do not have the same kind of shipping agreement.

Minister of Transport Datuk Dr Ling Liong Sik will sign the agreement for the Malaysian Government, while Qian Yongchang, Chinese minister of communications, will represent his country.

Encik Ghafar Baba, Malaysian deputy prime minister, and Tian Jiyun, deputy prime minister of China, attended the brief meeting, which was held in the Diaoyutai meeting hall.

The Chinese shipping company covered by this agreement is the Chinese Overseas Shipping Company (COSCO).

After the ceremony at which the agreement was signed the Malaysian deputy prime minister's party left for Lhasa, Tibet, for a 2 day visit.

Encik Ghafar will meet with Mao Rubai, deputy chairman of the Autonomous Tibetan Government on 18 September.

On 18 September Encik Ghafar and his party will visit the Lhasa carpet factory before leaving in a special aircraft for Chengdu, in central China.

The party will be entertained by Gu Jinchi, deputy governor of Sichuan, before leaving for Guangzhou, in southern China, to spend one night there.

The Malaysian deputy prime minister and his party will be conducted by rail to Shenzhen, where they will visit the Shekou industrial zone. Businessmen in Encik Ghafar's party will hold separate discussions with businessmen and industrialists in the area.

### **Both Countries Agreement To Form a Technical Commission**

Beijing, 15 September—Malaysia and China have agreed to form a technical commission to continue studies for completing an air services agreement, Datuk Dr Ling Liong Sik, minister of transport, said.

He stated that the commission will consider the possibility of undertaking special charter flights jointly carried out by the airlines of the two countries.

Datuk Dr Ling informed a *Berita Harian* representative that officials of the Malaysian and Chinese Ministries of Transport and representatives of their airlines will be members of the technical commission.

On 15 September Datuk Dr Ling made a courtesy call on Qiang Yongchang, Chinese minister of communications, at his office in Beijing.

Datuk Dr Ling is one of three Malaysian cabinet ministers who are accompanying Malaysian Deputy Prime Minister Encik Ghafar Baba on a 1 week official visit to China.

The other members of the cabinet are Datuk Chan Siang Sun, minister of health, and Datuk Amar Stephen Yong, minister of science, technology, and the environment.

Discussions regarding an air agreement between Malaysia and China have been going on here for almost 1 week. Datuk R. Navaratnam, secretary general of the Ministry of Communications, and representatives of MAS [Malaysian Air Services] have been here since last week for these meetings.

Each year about 10,000 Malaysian citizens come to China to visit and take part in the Canton Trade Fair, which is held in April and October.

Datuk Dr Ling said: "We agreed that a proposal to conclude an airline services agreement would be studied in greater detail. The technical commission which has been established will prepare a draft agreement for joint consideration." On the evening of 14 September Datuk Dr Ling chaired a small delegation at the continuing discussions between representatives of the two governments to resolve matters in connection with the trade agreement.

Encik Ghafar chaired the Malaysian delegation at the discussions during the morning. Datuk Dr Ling did not state whether the discussions had resulted in reaching points of agreement but said that the discussions will be continued from time to time.

### **Will Report to Cabinet**

Beijing, 14 September—Deputy Prime Minister Encik Ghafar Baba will report to the cabinet on the latest developments in the efforts of the government to enter into a trade agreement with China.

Encik Ghafar said that the Chinese Government wants a trade agreement with Malaysia which does not differ from the agreements which Malaysia has reached with other countries.

He made this statement on the evening of 14 September after discussions at a dinner given by Deputy Minister of Foreign Affairs Liu Shuqing.

The Malaysian deputy prime minister said that discussions will be continued between representatives of the two countries to seek an agreement on the treaty.

Encik Ghafar spent several hours on the morning of 14 September, trying to complete the discussions and reach agreement regarding the treaty. A further discussion held on the evening of 14 September was chaired by Datuk Dr Ling Liong Sik, minister of transport. It reflected the sincerity of the Malaysian Government in truly seeking an agreement regarding this matter.

Encik Ghafar expressed the hope that future discussions will bring positive results to the efforts of the two governments to achieve closer economic relations.

The Malaysian deputy prime minister also hoped that China will increase imports of manufactured goods and expand its purchases of raw materials, such as rubber, palm oil, and timber.

China has previously expressed a desire to increase its imports of raw materials such as palm oil. In any case, this matter is still under discussion, the deputy prime minister said.

Encik Ghafar is convinced that the shipping agreement which is to be signed on 15 September will breathe new life into efforts to improve trade relations between the two countries.

5170

### **Philippines Urged To Rescind Claim to Sabah**

#### **SIANG PAO Editorial**

42050001 Kuala Lumpur *NANYANG SIANG PAO* in Chinese 14 Aug 87 p2

[Editorial: "Guarantee to Disclaim Sabah Must Be Put Into Practice"]

[Text] After a 2-day visit to our country, Philippine Vice President/Foreign Minister Laurel flew onward to Bangkok. As the first top-ranking government representative

of the 18-month-old Corazon Administration, Mr Laurel's visit carried great significance to the strengthening of Malaysian-Philippine relationship. Speaking to reporters before his departure, he divulged that the Philippine Government clarified its sincere wishes to our government concerning how to solve the problem of sovereignty over Sabah once and for all. This may be termed Mr Laurel's precious achievement of his visit here.

The Malaysian-Philippine territorial dispute over Sabah dates back to 1962 when President Macapagal for the first time raised a territorial claim; in the 25 intervening years, the stand of the Philippine Government has been shifting in the wake of political power changes at home, but the issue has never been resolved once and for all and has invariably remained a stumbling block for improving further the bilateral relationship between Malaysia and the Philippines. It was during President Marcos' 20-year rule that articles of the Philippine constitution pertaining to the inclusion of Sabah into the Philippine domain were drawn up or amended and passed. Later, during the Second ASEAN Summit in 1977, Marcos verbally promised then Prime Minister Hussein Onn of Malaysia that in the interests of regional solidarity, his government had decided to relinquish its claim over Sabah. Nevertheless, he never took any follow-up action in the few years preceding his downfall.

President Corazon Aquino assumed power in February 1986. In the early days of her presidency, she was naturally enough kept busy with restoring peace and order in the wake of political disturbances. Yet, both Mrs Aquino and Mr Laurel did not forget their promise to settle this territorial dispute through direct, outspoken and amicable negotiations. As early as March 1986, President Aquino said in a statement that her government would handle this issue on the two principles of self determination of the people and justice.

Before leaving our country the other day, Vice President-/Foreign Minister Laurel cautiously avoided using the term "relinquishing the claim." This reserved attitude clearly reflects the complexity of the Philippine constitution toward this issue. It requires the incumbent president to take the initiative of "relinquishing the claim," but, on the other hand, the relevant legal basis is stipulated in the constitution pertaining to the country's domain, and this falls within the powers of the Congress. President Aquino may promise our government to relinquish the sovereignty concerned, but only the newly-elected congress can get rid of this "thorn" from the constitution.

The majority of the 50 members appointed by President Aquino last year to draft a new constitution are opposed to incorporating Sabah into the Philippine territory; they are also in favor of giving the claim over Sabah. Unfortunately, the articles concerning the relinquishment of Sabah failed to get the majority vote to be adopted. Therefore, with regard to the definition of "domain," the

New Constitution which was passed at the national referendum last January still abides by "historical and legal rights" and is not replaced by the "government's exercising sovereignty and jurisdiction rights" which is the more appropriate definition in contemporary international relations.

In those years the people of Sabah, in a referendum held under UN supervision, expressed their aspirations to unite with Malaysia, which certainly coincides with the prerequisite of self-determination mentioned by President Aquino. Therefore, Sabah as a territory of Malaysia was generally recognized in international societies. In the Philippines, claiming sovereignty over Sabah is not a policy that wins the support of the population; as a matter of fact, knowledgeable persons in political and media circles urged to give it up long ago. Furthermore, the Aquino Government plans to gradually give more and more autonomy to the southern region of the country, which would be more contradictory to the idea of claiming Sabah on grounds of "historical rights."

Before arriving in Malaysia last Monday, Mr Laurel stated in Manila that he would present a number of proposals to our government, including the curbing of Philippine rebels from smuggling arms from Sabah and the repatriation of Philippine refugees from Sabah. His talk before he left our country indicates, however, that our government refused to drag these matters or to use them as bargaining conditions for discussions about the Sabah issue. The refugees from southern Philippines, numbering 120,000, are a heavy social and economic burden to our country, and naturally we want to get rid of this responsibility. But the question of territory affects a country's sovereignty. If the Manila Government is sincere, it should take the initiative to resolve it.

The government of Corazon Aquino has a new constitution and a new congress to back up its constitutional position. While things have been straightened up within the country, it is now time for the government to take action within its region to foster neighborliness and friendship. If negotiations concerning the Philippines' relinquishment of Sabah in the Third ASEAN Summit in December this year could product concrete results, the visit of Mr Laurel would not be in vain.

#### SIN CHEW Editorial

42050001 Selangor SIN CHEW JIT POH MALAYSIA  
in Chinese 15 Aug 87 p 19

[Editorial: "Relinquish Claim over Sabah Forever"]

[Text] On the 12th of this month, Philippine Vice President Laurel promised Prime Minister Datuk Sri Dr Mahathir that his government would strive to relinquish its claim over Sabah forever through its new constitution. His remark carries great significance, for it augurs well for the improvement of Malaysia-Philippine relations.

As a matter of fact, in early May last year, when domestic disturbances in the Philippines quieted down, when democratic procedures were resumed and the entire country was in an upbeat mood, the new President Corazon Aquino sincerely expressed her hope of resolving the issue of Sabah once and for all. In a special interview with a Malaysian newspaper correspondent in Manila, Mrs Aquino indicated that her government would do its utmost to safeguard its harmonious relationship with ASEAN member countries.

The territorial dispute between Malaysia and the Philippines dates back to 1962 when the then Philippine President Macapagal brought up its claim of sovereignty over Sabah, which evoked our government's strong protest and displeasure. Since then, the Malaysian-Philippine relationship plummeted precipitously to the point of severance of diplomatic ties in 1963 and 1968 and the breakup of ASEAN's predecessor organizations, namely, the South East Asia Treaty Organization made up of Malaysia, the Philippines and Thailand.

In 1977, when then Philippine President Ferdinand Marcos visited Kuala Lumpur to attend the Second ASEAN Summit, he announced that his government would relinquish Sabah and that it would take necessary measures to solve this problem.

However, the fact proves that Marcos did not fulfill his promise and that the problem remained listed as a proposed bill among the appendices of the 1972 Philippine constitution proclaimed by Mr Marcos. The relevant appendix clearly stated that Sabah is a Philippine territory. This also explains that the announcement made by Marcos at the summit meeting was merely lip service, perfunctory and utterly devoid of sincerity.

Eventually, former Philippine President Marcos' promise has turned out an empty talk. It is evident that this Sabah issue is a serious problem affecting a country's sovereignty, which cannot be settled with a verbal guarantee. Consequently, when Philippine Vice President Laurel the other day guaranteed that his government would relinquish Sabah forever, we have to view his remarks realistically, seeking truth from facts, instead of being over optimistic. Nevertheless, we welcome the positive and sincere efforts taken by the Aquino government concerning the issue of relinquishing Sabah.

Whoever started the trouble should end it. As the sovereignty problem about Sabah was brought up by the Philippine Government, it should also take the initiative to solve it thoroughly.

Since the founding of ASEAN, economic cooperation among its member nations has been relentlessly improved, and cultural interflows have been on the rise—something worth rejoicing about. However, there is still one deplorable controversy within this big family, namely, the Malaysian-Philippine dispute about the question of sovereignty over Sabah. Not only does this

quarrel spoil the relationship between the two countries, but also affects the feelings of the other ASEAN member countries. In the interests of Malaysian-Philippine friendship and closer cooperation among all ASEAN members, the Philippine Government should take concrete actions, including administrative and legislative measures, to speedily resolve this issue which has been hampering the development of Malaysian-Philippine relations for the past 21 years.

The image of the Philippines has undergone a tremendous change since the inauguration of President Aquino. Mr Laurel indicated the other day that the Philippines is nearing the completion of the transition from a military constitution to a democratic constitution. This is a good turn. We hope that the long-pending issue of its claim over Sabah can also be thoroughly resolved once and for all.

9300/12232

**Ghafar: Constitution Review Not Necessary**  
*42130005a Kuala Lumpur BERITA HARIAN in Malay*  
26 Aug 87 p 2

[Text] Kuala Kangsar, Tuesday [25 August]—Deputy Prime Minister Encik Ghafar Baba said today that the government does not need to amend the constitution, because the constitution as it exists is able to unify and give prosperity to a multiracial society.

"The constitution that has existed since the nation gained independence has proved that we can depend on it and that it is, in fact, a point of agreement when big problems arise," he said this afternoon when he dedicated the Kuala Kangsar UMNO [United Malays National Organization] building on Datuk Sago Street here.

"Who says the country will be in chaos if the constitution is not amended? That's not correct. That can hurt efforts to achieve prosperity," he declared.

This does not mean, however, that the government has never amended the constitution since it was drafted 30 years ago.

"We have amended the constitution 20 times, and we did not have to wait until the 30th anniversary of our independence to make an amendment.

"We are always sensitive and will amend the constitution whenever necessary and at times appropriate for the benefit of the people of this country," he stated.

Nevertheless, Encik Ghafar asked those who are pressing for constitutional amendments to state the subjects or sections that need to be amended.



"They must also convince the government and have the agreement of two-thirds of the House of Representatives that the proposed constitutional amendments truly fulfill the wishes and objectives of the government," he stated.

He said anyone can state his opinions, for that is his right, but let those opinions have a basis and not be merely an expression of feelings.

Encik Ghafar, who is also deputy president of UMNO, stressed that the constitution still affords freedom of religion, liberty to use native languages, and a number of human rights, without causing fear or anxiety.

### Insistence

"Seeing that the constitution was agreed upon, why think like that? We have many other tasks to be accomplished in order to achieve a secure life.

"The constitution is a point of agreement for solving problems. Why create problems by seeking to amend the constitution?" he asked.

Referring to current issues, he advised those who are so strongly voicing their dissatisfaction to be patient and to reduce tensions by leaving the issues and questions to settlement by the country's leaders.

"Government leaders are in fact quietly discussing solutions," he declared.

He advised such people to voice their dissatisfaction in a spirit of friendship and not in a way that causes fear and anxiety among the people.

"We don't want controversies to arise when a policy is being implemented, seeing that effects of the policy have already been studied," he explained.

About 5,000 members of UMNO and component parties of the National Front attended the ceremony. Those present included Minister of Trade and Industry Datin Paduka Rafidah Aziz, Deputy Minister of National and Rural Development Datuk Tajol Mohd Ghazali, and Deputy Chief Minister Encik Ahamed Hambal Yeop Majlis.

Referring to charges that there is deviation in UMNO, Encik Ghafar said the alleged actions have never taken place.

"From the time I joined UMNO 37 years ago, there has not been any deviation, whether in goals, implementation, or policy.

"Every year we have a congress and a general assembly for electing leaders. If a leader deviates, members have the authority to put him out," he stated.

He believes, therefore, that UMNO is the only organization that can bring unity and progress to Malays and that new members should be screened carefully in order to avoid problems.

6942

### Leadership Crisis May Hamper MIC Unity

42130005b Kuala Lumpur BERITA HARIAN in Malay  
30 Aug 87 p 10

[Article by K. Suthakar: "Leadership Crisis May Threaten MIC Unity"]

[Text] Tension and controversy among MIC [Malayan Indian Congress] leaders over its vice-presidential election today shows clearly that the party is facing a crisis that may threaten its unity if not immediately checked.

In this its 34th general assembly, the vice presidents and five members of the central committee are to be elected.

As in other political parties, MIC elections this time reveal factions. One faction is supported secretly by President Datuk S. Samy Vellu, and another by Deputy President Datuk S. Subramaniam, who has succeeded in holding his position since September 1981.

At first, there were some who reportedly planned to nominate a candidate to oppose Datuk Subramaniam so that he would not be able to give full help to his followers who were running for other offices. That effort was called off, however, and another candidate who had been expected to run for vice president withdrew at the last minute and promised to support the leadership of Datuk Subramaniam.

### Behind the Scenes

Although the party's top leadership professes not to have factions in the MIC, a disagreement actually still exists between Datuk Samy and Datuk Subramaniam, who is also deputy minister of housing and local government.

"This is something that can't be denied. Although they embrace each other everywhere, they are enemies and are always suspicious of each other," said a political observer.

The situation is muddled by their respective followers, who are trying as hard as they can to see that their "man" wins. Thus, what is actually taking place is a power struggle behind the scenes ("shadow boxing") [as published] between the president and the deputy president.

Almost all the candidates for the vice presidency have their groups of supporters. The same is true of the 23 candidates for the central committee (5 of them later withdrew).

Two of the current vice presidents, Deputy Minister of Health Datuk K. Pathmanaban and Parliament Secretary for the Ministry of Trade and Industry Encik M.G. Pandithan, are supported by Datuk Subramaniam. Another vice president, Encik D.P. Vijandran, is Datuk Samy's man, but their relationship shows signs of breaking down.

Meanwhile, challengers from the "three Datuks" faction, which is headed by Selangor MIC Chairman Datuk M. Mahalingam, who is also MIC general secretary, Johore MIC Chairman Datuk G. Pasamanickam, and Negeri Sembilan MIC Chairman Datuk M. Muthupalaniappan, have strong backing by Datuk Samy.

Other candidates for the position are Shah Alam Member of Parliament Encik S.S. Subramaniam and former Johore MIC Secretary Encik M.K. Muthusamy.

Although Datuk Samy and Datuk Subramaniam deny they are supporting specific candidates, they are at the same time actually doing everything they can to make certain that their candidates win so that their presence in the party will be stronger.

Last Thursday [27 August], Datuk Pathmanaban told the Tamil press that he will withdraw from the race for vice president if the proposal for voting by show of hands is accepted. Datuk Samy, who was successful in keeping his position last December, responded with several statements. Among other things, Datuk Samy accused the deputy minister of health of "questioning his authority."

The war of words among the factions contesting the vice presidential positions has not been covered well in Malay and English language newspapers, like an iceberg on the surface of the ocean. This is because they do not want the rest of the public to know the tactics of the party, lest it be looked down upon. For that reason, accusations made without naming the targets, who generally are clearly understood, are submitted only to the Tamil press.

### Political Interests

Furthermore, the three Tamil newspapers, TAMIL NESAN, THINAMANI, and TAMIL OSAI, are not owned by a single faction but are controlled by several prominent people who have political interests.

This results in a more balanced coverage of the news about the forthcoming elections, because both sides have opportunity to state their positions on the issues being disputed.

*Tamil Nesan*, owned by Datuk Samy's wife, Datin N. Indrani, carries news of her husband and Datuk Mahalingam, whereas TAMIL OSAI and THINAMANI support the efforts of Datuk Subramaniam and Datuk Pathmanaban. Datuk Subramaniam is said to hold 40 percent of the stock of Tamil Osai Corporation Ltd. through certain parties.

*Tamil Nesan* does not report positively at all on factions challenging candidates backed by Datuk Samy. THINAMANI and TAMIL OSAI also emphasize their own candidates, namely, Datuk Pathmanaban, Encik Pandithan, and, now, Encik S.S. Subramaniam, besides publishing sensational reports challenging Datuk Samy.

Several days ago, a new phenomenon appeared. A certain individual in the MIC was accused of using a shaman to achieve success and of involvement in money politics. The same conduct reportedly surfaced in Petaling Jaya 2 months ago during the election campaign for the post of MIC chairman for Selangor.

### Not in Agreement

"A candidate is also said to have paid 50 ringgits to delegates to vote for him," said a former MIC politician.

These new unhealthy developments have worried the Indian community, particularly MIC members who feel that top leaders not only have failed to fulfill their responsibility to protect Indian rights and interests but have even fought to capture positions in the party.

The first casualty in the struggle for power was Encik Vijandran, who "was forced to withdraw" rather than run for vice president. Actually, Encik Vijandran greatly helped Datuk Samy by managing court cases when he was sued by former vice president Encik V. Govindaraj.

In fact, during the dispute between Datuk Samy and Datuk Subramaniam in 1981, Encik Vijandran, who had just entered politics, opposed Datuk Subramaniam for the post of MIC chairman for the Federal Territory but lost by 28 votes (106 to 78).

Another member involved in politics said that Datuk Samy wanted Encik Vijandran to work with Datuk Mahalingam and Datuk Muthupalaniappan to defeat Datuk Pathmanaban and Encik Pandithan.

"But Encik Vijandran refused, because he was not in agreement with Datuk Mahalingam," he said.

This action by Encik Vijandran resulted in his being ousted from Datuk Samy's faction. Encik Vijandran received yet another slap on 23 August at the MIC Youth Assembly when he lost his position as MIC Youth chairman because of Datuk Samy's decision to appoint Encik K.S. Balakrishnam as the new chairman.

Encik Vijandran may be appointed general secretary after this general assembly, but he is dependent on the decision and strategy of Datuk Samy himself. In any case, Encik Vijandran's future in the MIC is uncertain.

Not only has he been accused of fishing in troubled waters by pushing the issue of elective courses at the University of Malaya, but the weakness of Maika Holdings, an MIC investment company he heads, has angered stockholders, most of whom are MIC members from the estate sector.

Moreover, Datuk Samy has been reluctant from the beginning to support his candidacy because he wanted to give precedence to Datuk Mahalingam. (Datuk Samy was the person responsible for bringing Encik Vijandran into the MIC and promoting him to chairman of MIC Youth.) In a secret meeting last month in London, the party president reportedly advised Encik Vijandran not to run.

When Encik Vijandran proceeded with his intention, however, Datuk Samy was displeased. Consequently, Encik Vijandran at last announced his decision not to run for vice president.

That news delighted Datuk Mahalingam, who, as a long-time member, was jealous of Encik Vijandran's rapid advancement.

The withdrawal of the former Youth chairman directly brightens the hopes of Datuk Mahalingam for winning the vice presidency with the highest number of votes, especially if the president of the MIC himself stands firmly behind him.

If Datuk Mahalingam wins with the highest number of votes, that will of course facilitate achievement of his goal of becoming deputy president, especially if Datuk Samy announces his retirement from the party presidency.

At first, Datuk Mahalingam planned to oppose Datuk Subramaniam, but he changed his plans because of fear that he would merely spark a party crisis like the one of 1981.

"The three Datuks who are candidates have opened a number of branches in Selangor, Negeri Sembilan, and Johore. That means those three states will send more delegates, who are expected to vote for their chairmen," said a veteran politician from MIC Women.

For the central committee, Datuk Mahalingam and his faction support the candidacies of Treasurer Datuk K.S. Nijhar, Senator C. Krishnan, Senator G. Rajoo, Encik P. Balaraman, and Dr Nyanabaskaran. He prevented the secretary, Encik S.S. Subramaniam, from running for the committee. That angered Encik S.S. Subramaniam, who then decided to run for vice president.

That action is certain to split the votes of delegates from Selangor. Thus, if Datuk Mahalingam should win, he cannot possibly get the highest number of the votes.

Therefore, the chances of Encik S.S. Subramaniam appear better now, considering the support for him by Datuk Pathmanaban and Encik Pandithan and Encik Vijandran's withdrawal.

In another development, after winning the post of deputy president uncontested, Datuk Subramaniam called a meeting at his home in Petaling Jaya. About 300 of his supporters attended, including Datuk Pathmanaban and Encik Pandithan. Strangely, Encik Vijandran also was present. That surprised faithful followers of Datuk Samy.

The Tamil press speculated that the three vice presidents had secret talks with Datuk Subramaniam about defeating the "three Datuks" faction. Datuk Samy was angered by Encik Vijandran's participation in the faction of Datuk Subramaniam. In his meeting with Encik Vijandran several days later, he said that Datuk Mahalingam was more loyal to him than Vijandran was.

Datuk Samy reportedly will bring up with Prime Minister Datuk Seri Dr Mahathir Mohamad the MIC position on the issue of language at the University of Malaya during the forthcoming party general assembly.

The question now is whether his statements will influence the voting of about 1,200 delegates. Although they may arrive at the meetings with clear views on whom they should vote for, it is not impossible that they will change their minds after hearing statements by Datuk Samy.

Is it true that Datuk Samy has decided to retire from politics by 1990 and wants to put his strong supporters in high posts in the party?

All of this will determine the future of the MIC, which began among estate workers and then, via a thorny path, became an authoritative partner in the National Front.

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**MCA Official Comments on Racial Polarization**  
*42050002a Selangor SIN CHEW JIT POH MALAYSIA*  
*in Chinese 15 Aug 87 p 20*

[Text] Datuk Lee Kim Sai, deputy president of the Malaysian Chinese Association [MCA], stressed that his party will not oppose other nationalities safeguarding their own rights and interests on the basis of our constitution and human rights.

"However, we will not tolerate or compromise any overbearing work or deed in any form or manifestation," he added.

Today, Mr Lee pointed out that racial polarization in our country is getting serious, mainly because some extremist elements tend to forget our constitution in handling problems concerning rights and interests of various nationalities.

"Such overbearing behavior against the 'rule of the game' not only violates basic human rights, but also seriously hurts the feelings of other brotherly nationalities, as well as destroys the foundations of national unity.

"This unhealthy trend of development should be seriously examined and resisted by the entire people."

Datuk Lee was speaking at the swearing-in ceremony of new officers of MCA's Tampin District held on the occasion of the party's founding anniversary tonight. He said that in the 12 months since last year's general elections, MCA's attitude toward any issue affecting Chinese society has always been clear and consistent. "There has been a series of incidents which encroached upon the rights of Chinese society, such as the influx of illegal immigrants, the irregularities in implementing the New Economic Policy, the medium of instruction at the Chinese Department of University of Malaya, the requirement for non-Muslim women students of Polytechnic College to wear a Muslim head covering, the compulsory mass prayer for students in Malacca state schools and the Chinese language signs at the seafood festival in Johore. We must clarify our stand and reflect the wishes of the Chinese community before the authorities concerned. It is understandable that MCA's new style has been under fire by the racial extremist elements.

"However, I'd like to stress here and now that although the MCA is strictly a Chinese based political organization, we are not a racist party. We want to defend Chinese society's rights and interests and strive for national equality, because these are the basic human rights and constitutional rights due the Chinese community. And in fact our standpoint and conduct represents the realistic implementation of the 'goals and purposes' of MCA's statutes."

Datuk Lee said that MCA speaks out from a sense of justice, which should not be misconstrued as racial chauvinism or as a wilful attempt to challenge the rights of other nationalities. For this would be very illogical.

Datuk Lee indicated that in the prevailing political system, MCA's rise and fall directly affects its bargaining position within the government. Therefore, in order to face the difficult challenges in the coming 2 or 3 years, we cannot afford to wresting support from the public for MCA's revitalization. This is a movement which is of immediate concern to the entire Chinese community.

**Editorial Comments on Present Economic Upturn**  
42050002b Kuala Lumpur *NANYANG SIANG PAO* in  
*Chinese* 6 Sep 87 p 2

[Editorial: "Safeguard the Motive Force of Economic Revival"]

[Text] Beginning this year, there have been signs of an upturn in our national economy. This may be attributed to the gradual rising prices of our primary products and the influx of considerable foreign investment. The governor of the Bank Negara Malaysia, Tan Sri Jaafar Hussein, confirmed that up until the end of last month on the basis of various statistical figures, there is hope for an economic upturn in our country this year. The increase in exports and influx of foreign investment have created a surplus in the balance of international revenue and expenditure. There is already a recovery of business confidence and an increase in value of our gross national product. Originally, the Bank Negara Malaysia [State Bank] predicted that this year's economic growth may reach 1.5 percent, while the Malaysian Economic Research Institute more optimistically projected a 2.4 percent growth rate.

As our nation's economic barometer, the stock exchange usually runs ahead of the economic pace, so from the beginning of this year, our stock market and Singapore's are moving side by side, and their stock prices are constantly rising, which, as usual, caused great interest among domestic and foreign investors. Recently, however, there was a turn for the worse in the stock markets and prices, and investors became worried, even sold their shares at a loss for fear of another economic crisis.

The other day, Finance Minister Daim Zainuddin broke his silence. Commenting on the steep drop of stock prices, he pointed out that rumors and the holding of a seminar which stresses conflicting ideas in the country, as well as the burning down of five mosques in Pahang State, all have driven away foreign investors; this was also the reason for the drop of the stock market in Kuala Lumpur. The finance minister also pointed out that too many public companies have floated additional shares. Luckily, he added, foreign capital invested in our country's stocks and shares has not run away.

The ups and downs of the stock market is attributable to other factors, especially excessive speculation which unavoidably causes violent fluctuations. But generally speaking, we are in agreement with the analysis of the finance minister. With regard to that certain seminar, it is indeed true that certain conflicting interpretations gained sufficient currency in the country to alert foreign circles. However, the fuse is still the ceaseless bickering among political parties (including the ruling parties) about a series of sensitive problems, especially the restlessness of UMNO's Youth Wing which has caused racial feelings to soar. So, after the arson cases involving

mosques, which has nothing to do with racism, the confidence of investors and the public was eroded further and this erosion became an unavoidable fact.

We agree with the finance minister's warning that to attract investment, we must make positive publicity instead of negative publicity. All our people, including the "honorable ministers" and those racist politicians, should do more work and less talk. Everybody must strive for the promotion of an economic revival. As a matter of fact, we can learn a lesson from the recent series of happenings: playing up racial problems will destabilize our political situation and deal a blow to our stock market. Furthermore, our people must attach greater importance to the possibility that such a trend might strike blows at the motive force of our economic revival.

Apart from the above-mentioned causes, it cannot be denied that the matter of the bidding procedure for the North-South highway should bear some responsibility for affecting the stability of our political situation and

the confidence of investors. The hullabaloo of this matter has caused foreign investors to view it in disgust, and it is worth a reexamination by the government. Our next fiscal year's budget will be presented toward the end of next month. Officials of the Treasury Department are making feverish preparations. We hope that the finance minister will be able to bring up more effective proposals to speed up the pace of our economic upturn.

To maintain the current motive force for the economic upturn and even to strengthen it, the government must do more work that needs to be done, instead of mere talking. For instance, the government levies 40 percent tax on company income, which is the highest rate among all ASEAN member countries. Singapore, which has the greatest attraction for foreign investment, levies 33 percent tax only. Our government must reexamine our tax laws on this score. At a time when the economic picture is still gloomy and when unemployment is on the rise, our government and people must join hands to shake off our predicament in order to gain better economic growth.

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**Ex-Minister Thanat, MP Surin Debate Copyright Law**

42070009d Bangkok SIAM RAT SAPDA WICHAN in Thai 16-22 Aug 87 pp 7, 8

[Unattributed report: "Thanat Condemns the United States, Revising Copyright Act Will Prove the Capabilities of the MPs"]

[Excerpts] On 7 August, the Faculty of Law, Thammasat University, held a debate on the topic "Revising the Copyright Law, Necessity or Obligation?" Those participating in the debate included Dr Thanat Khoman, the former minister of foreign affairs, Professor Chitti Ting-saphat, the privy councillor, Mr Khanung Ruchai, the former director-general of the Department of Public Prosecutions, and Mr Surin Phitsuwan, a Democrat MP from Nakhon Sithammarat Province. Mr Kaeosan Atipho, an instructor with the Faculty of Law, Thammasat University, served as moderator.

Dr Thanat referred to an article appearing in one of the world's leading economic newspapers and said that part of the article dealt with legal matters. But it is mainly the unseen things that are the important reasons. The reason why the United States has made such a great effort has nothing to do with the law but rather with politics and economics.

There are several important points that support the view of Dr Thanat concerning the request that Thailand revise its copyright law. The first point is that although the United States is making demands concerning copyrights and intellectual property, it is not a member of the important international convention on copyrights, or intellectual property, that is, the "Berne Convention." It is demanding rights that stem from this convention. The United States knows what is what.

"An important official, Mr Clayton Yuetter, a trade representative, told the U.S. Congress that the United States should sign this convention. Because if the United States is interested in this matter and wants other countries to recognize and grant copyright and intellectual property rights, why doesn't it join the Berne Convention? In the near future, we will probably read that the United States has joined the Berne Convention," said Dr Thanat.

Second, Dr Thanat said that this is a political matter, and most Thai do not know anything about this. And even government officials may not know about this. This matter stems from the Treaty of Amity and Economic Relations signed by Thailand and the United States 29 years ago. Only in the last 2-3 years has the United States demanded that Thailand act in accord with this treaty, particularly those provisions concerning copyrights and intellectual property.

"For the last year or so, they have complained about Thailand not acting in accord with this treaty. Why did it take them 29 years to threaten us and apply pressure? Why did they suddenly say that if we do not act in accord with the treaty, the United States will take action against Thailand?" said Dr Thanat. He paused for a moment and then continued.

"The reason is that a little over a year ago, Thailand angered the United States by voting against the United States in the UN Security Council on the issue of the United States bombing Libya. Besides this, there was also the issue of Israel seizing a mosque in Jerusalem. The U.S. ambassador begged Thailand to vote in support of the United States. But Thailand refused. This greatly angered the United States. The No 2 official in the U.S. Department of State angrily stated that the United States would not forget the fact that Thailand had voted against the United States. After that, relations between Thailand and the United States became strained. The United States used every chance it could to persecute and exert pressure on Thailand," said Dr Thanat very boldly.

"In my view, the copyright or intellectual property right issue is just another instance of their trying to 'direct an orchestra,' playing the woodwinds one moment and the drums the next. But their objective is to destroy Thailand. The important figure I mentioned just a moment ago, that is, Mr Yuetter, said that 'I will pound them to smithereens. They will never recover. I will do this for my benefit.' This is what an important U.S. official whose duties concern international trade said."

Near the end of his speech, Dr Thanat said that in his view, the solution is to hold to our principles from the standpoint of doing what is right and acting like an independent state. We should not allow politics to dominate.

"The United States claims that Thailand receives special tariff rights, or GSP. This is like a favor that they are hanging over us. The United States is trying to tie matters to the GSP. But there is no guarantee that they won't make cuts. They have already cut four items."

"From the standpoint of doing what is right and acting like a state, if it were up to me, I would say that although we are a small country, we hold to moral principles and laws. We believe that the use of intellectual property without legal permission is stealing. We will protect whatever needs to be protected. But we will not get involved in trading things for tariff exemptions."

Before finishing his speech, Dr Thanat said that "I know that there are U.S. officials and CIA officials in this room. But I am not afraid. I hope that they will understand us." The audience clapped loudly in approval.

Dr Surin Phitsuwan was the next person to speak. He said that there is the idea that the copyright problems between Thailand and the United States, that is, the problem itself and the solution to the copyright law problem, are directly

linked to political problems. But actually, political problems within the United States are having a direct effect on solving the copyright law problems with Thailand.

Dr Surin gave some examples of domestic political problems in the United States that are affecting Thailand. The United States wants us to revise the copyright law because it has a huge trade deficit. U.S. administrators have to find a way to reduce this trade deficit.

"The final and most important way out is to pass laws to protect their markets. The measures aimed at protecting their intellectual rights are part of their attempt to reduce their trade deficit and reduce the trade advantage that other countries have over them," said Dr Surin.

"As for copyrights, patents, and trademarks that they have on new inventions and ideas that are derived from their industrial base and high domestic economy, because they have not been able to solve the problems on the other fronts, they are trying to force people to purchase copyrights on intellectual property. They want people to pay a copyright fee for using computers and pay a trademark fee when producing various components. It is estimated that the United States is losing approximately \$8-20 billion a year in lost intellectual property fees. This will not have much impact on their deficit, which is running at \$200 billion a year. But at least this will enable politicians to tell voters that the problem has been solved," said Dr Surin.

However, concerning the movement to prevent the 1978 Copyright Act from being revised, as a member of the House Foreign Affairs Subcommittee, Dr Surin said that this represents political development in Thailand. This problem has been discussed more broadly than any problem in the past. If the subcommittee or the Ministry of Foreign Affairs needs something, they must get it immediately, particularly if it concerns the security of the country.

"Revising the Copyright Act is becoming more difficult. The MPs have succeeded in gaining acceptance in political society between the House and parliament and between the legislature and the administration. They have shown that they are capable people who are interested in making decisions on major problems. At the very least, they can halt this draft act issued by the cabinet. It was the Ministry of Foreign Affairs that asked the Ministry of Education to propose this. The cabinet wanted this draft act submitted to the House on 1 April and wanted the matter completed by the end of this past term. But in order to ensure that no mistakes are made, parliament held back on this," said Dr Surin.

The other two participants, Professor Chitti Tingsaphat and Mr Khanung Ruchai, discussed the legal aspects of this, which is thought to be just the tip of this problem.

### **BOI To Encourage Transnationals With Tax Breaks**

42070009b Bangkok NAEON in Thai  
26 Aug 87 pp 7, 14

[Unattributed report: "BOI Formulates Plan To Encourage Multinational Corporations To Establish Regional Offices in Thailand; Will Submit Plan to Suli on 26 August"]

[Text] The BOI [Board of Investment] has proposed that Suli try to encourage multinational corporations to establish their regional offices in Thailand. This includes granting them exemptions and reductions on income taxes and exemptions on import duties for personal items, allowing them to own condominiums, and allowing the foreign personnel to renew their visas and work permits automatically. It also proposed that those corporations that want to establish a regional office here must request permission from the BOI and that they must invest at least \$50,000. They must submit a report on the results of their operations once a year and must have the authority to handle matters on behalf of the mother company.

The BOI has prepared measures to encourage multinational corporations to establish regional offices in Thailand. These will be submitted to the Investment Development Subcommittee, which is headed by Lt Suli Mahasanthana, the minister attached to the Office of the Prime Minister, on 26 August.

These measures to be submitted by the BOI can be divided into tax measures and other measures.

The tax measures include the following: 1. Foreign executives who work in Thailand between 60 and 183 days and who are already covered by the international treaty on tax exemptions will not have to pay a personal income tax if their income comes from the company abroad. But if their income comes from within the country, they must pay a personal income tax at the special rate of 15 percent of their net income.

2. If the regional office of a multinational corporation earns revenues from holding shares in a subsidiary company and it must remit the income to the mother company abroad, it does not have to pay the corporate income tax. But if it earns revenues from providing services to a subsidiary company outside Thailand, it must pay a corporate income tax at the special rate of 15 percent.

Other measures include: 1. Foreigners who work at the regional office in Thailand do not have to pay an import duty on the personal effects that they bring with them initially, and they can bring in one automobile duty free. However, if they sell these items, they must pay the normal import duty.

2. The visas of foreigners working at the regional office will be good for 1 year regardless of the type of visa. These visas can be renewed automatically without the person having to leave the country and then return as was required previously.

3. The same provisions that apply to visas will apply to work permits.

4. During the time that foreigners are working in Thailand, if they take a trip out of the country, they will not have to show a personal income tax certificate of compliance. However, in cases in which their work in Thailand has ended and they are returning home, they must have a certificate of compliance.

5. Foreigners and regional offices of multinational corporations may purchase condominiums.

The BOI has also recommended that the following conditions be stipulated for multinational corporations that want to establish a regional office in Thailand: They must register and request permission from the BOI. They must invest a minimum of \$50,000. Within 30 days after receiving permission, they must bring in at least \$30,000.

The regional office in Thailand must have the authority to hold shares in subsidiary companies in place of the mother company. It must be able to provide advisory services to subsidiary companies both in Thailand and in the Asia-Pacific region. It must submit a report on its operations to the BOI once a year.

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#### **Laws on Foreign Business 'Probably Won't Be Changed'**

42070007c Bangkok NAEO NA in Thai  
19 Aug 87 pp 7, 14

[Unattributed report: "Laws Probably Won't Be Changed To Please Foreign Businessman; If They Want To Do Business in Thailand, They Will Have to Obey Thai Laws"]

[Text] It's unlikely that the laws punishing businessmen will be changed as requested by foreign chambers of commerce. Several reasons have been given. If people want to do business in Thailand, they must obey Thai laws. We can't revise our laws just to please foreigners. Police say that it is a matter of interpretation and actions. When businessmen are questioned, officials treat them very gently. The president of Central was questioned and so why can't others be questioned?

A report from the Office of the National Economic and Social Development Board (Development Council) has informed *Naeo Na* that the chambers of commerce of eight countries have sent a letter to the prime minister asking him to revise the penalties and provisions of

various Thai laws and regulations. They feel that the penalties are too harsh. The Joint Public-Private Committee for Solving the Economic Problems examined the petition and returned it to the chambers of commerce, asking them to submit the matter in greater detail.

The Development Council wants the foreign chambers of commerce in Thailand to resubmit the matter and clearly state which laws and regulations they feel are too harsh. It will then consider whether problems have arisen because the regulations are too strict or because fraud has been committed. Because if it is a matter of fraud, it will be difficult to revise the regulations. Matters must be handled in accord with the criminal laws.

Many Thai laws are drafted based on the criminal laws. That is, the penalties often include prison sentences. It is difficult to change the laws. And it may not be necessary to change them. It's a matter of interpretation. However, a news source said that when these chambers of commerce submit this petition, an effort will be made to find a way to reduce the penalties. When they resubmit this, they should state what they want the long- and short-term steps to be.

The petition submitted to the prime minister by these foreign chambers of commerce complained about the harsh criminal penalties imposed on board members and managers guilty of submitting reports to officials late or making careless mistakes. This has caused much apprehension, because the penalties are equivalent to those handed down to people convicted of conspiring to stage a rebellion, giving bribes to officials, and committing rape. These chambers of commerce claimed that these are criminal penalties, which are not suited to the nature of these offenses. This is inefficient and wastes time.

As an example, the petition cited the regulation that requires businessmen to file an inventory of the stock on hand on 30 April, July, September, and January every year in order to show the movement of goods on hand during the quarter. If the report is submitted late, the businessman can be fined up to 100,000 baht and imprisoned up to 5 years. Businessmen risk have a criminal record.

A news source from the Suppression Division, Police Department, which also monitors economic crimes, told *Naeo Na* that in actual practice, the police are very lenient with business owners or company executives who are involved in minor cases, because they know that these people are not criminals. They are asked to appear for questioning at their convenience, and interrogation officials are on hand in order to complete the questioning as quickly as possible. There is no need to revise the laws or change the penalties.

In the case of certain laws, people in general do not feel that the effects of violating these laws are very great. For example, someone may have filed a report late or submitted incorrect data, claiming that he forgot. But the



person may be fined or imprisoned. Take reporting the amount of goods in stock, for example. The state has promulgated a law that owners must obey in order to prevent market shortages and to prevent people from hoarding goods and raising prices or gaining a monopoly. The state needs to know the actual number for the benefit of the people during critical periods. It has no desire to apply pressure all the time.

The news source said that if owners of businesses understand the real purpose of this, they should obey the laws. Foreigners who do business here should obey the laws, too. Thai businessmen have to submit to questioning by officials. For example, just recently, the president of the Central Department Store came and testified as requested by the police, saying that it is necessary to obey the law. He was very cooperative. There shouldn't be any problems with foreigners.

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#### **Editorial Questions Role, Benefit of Foreign Investment**

42070007b Bangkok NAEON in Thai 10 Sep 87 p 3

[Editorial: "Disadvantages of Foreign Investment"]

[Excerpt] Foreign investment has various disadvantages of which we should be careful. 1. The foreign investors will someday take their investment capital and profits back to their own country. If large amounts of money are sent back in a particular year, this could lead to a balance of payments deficit. 2. The foreign investors are trying to escape high currency values and trade protectionism in their own countries by using Third-World countries as production bases. Quotas or special privileges may be used, which would further limit our already limited profits. 3. Foreign investment might make things unfair for Thai investors. This might ruin some activities. 4. Foreigners often keep technology a secret. Thus, there must be clear stipulations on transferring technology within a certain period of time, and periodic inspections must be made.

The above warning will benefit the government. The Board of Investment must monitor these activities closely. During the past 20 years, other countries have frequently taken advantage of us. Foreigners have invested money here and then taken out money at much higher rates. We are like employees who are paid just a small wage and who have no chance to learn about the technology. These foreigners have ruined several activities.

With respect to our investment promotion policy, the time has come when we must be very careful about foreign investments. Today, we are capable of doing almost everything ourselves. The state must promote those things that benefit Thais rather than foreigners. If

there are obstacles, Thai investors must solve them. Measures to control foreign capital should be implemented instead of allowing things to take their course as in the past.

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#### **Columnist Views Possible Ties to PRK**

42070009a Bangkok BAN MUANG in Thai  
23 Aug 87 p 5

[Ta Mo Lo column: "The Cambodian Problem, a Necessary Expense for Thailand"]

[Excerpts] Once again, there is some interesting news about the situation in Cambodia. The "cocktail party" idea, ASEAN's new formula for solving the Cambodian problem, has failed to achieve anything. Vietnam, the troublemaker, has shown absolutely no interest in this.

Dr Mochtar Kusumaatmadja, the Indonesian minister of foreign affairs, is the person who is most disappointed, because this was his idea. He made several trips to Hanoi before coming up with this idea. The main idea of the "cocktail party" was to get the various Cambodian factions to talk to each other. That would have been a start. But Vietnam said, "No!" They demanded that the Khmer Rouge be excluded. But ASEAN, in which Thailand is the busybody, felt that it would be useless to hold a meeting without the Khmer Rouge.

This is how things have gone. The problem remains unchanged. Vietnam cannot recognize the Khmer Rouge, because the Khmer Rouge is the factor that is helping to keep Vietnam in Cambodia. If Pol Pot and Heng Samrin reached an agreement, Vietnam would not have an excuse to stay in Cambodia.

The genocidal war in Cambodia, which has been going on for 8 years now, will continue with no end in sight. The war will probably continue until Pol Pot and Khieu Samphan die.

The reason why ASEAN supports the Khmer Rouge, with the result that no agreement can be reached with Vietnam, is that only the Khmer Rouge are willing to stand firm and fight the Vietnamese. Without Pol Pot, the resistance would have collapsed long ago. And so we have to close our eyes and support Pol Pot. There is no other choice.

The situation along the Thai border remains unchanged. There are periods when the situation becomes tense and then the tension eases. Vietnam wants to provoke Thailand into launching an attack inside Cambodia. That would give Vietnam a better excuse to stay in Cambodia. I hope that Thailand does not fall into Vietnam's trap.

Here, I would like to tell the House Budget Subcommittee that it must give the military all the money requested for Cambodian border operations. We cannot be careless

on this front. I also think that our security policy needs to be reviewed. We must review our policy concerning relations with Heng Samrin in Phnom Penh, which is occupied by Vietnam. It should be possible to establish trade contacts with them, which would help reduce the tension. We do not consider Heng Samrin to be our enemy. His faction is a major faction in Cambodia.

We should not allow Heng Samrin to remain isolated with Vietnam. It would be good to deal with him. We will no longer have to pay a commission to Singapore, which is a waste of money. Today, we have to use Singapore to sell our goods to the PRK. I am sure that our establishing trade ties with the PRK in Phnom Penh would embarrass Vietnam. And so why don't we do this?

What concerns me is the solidarity of ASEAN. Indonesian newspapers are not very happy with Thailand's attitude. They feel that Thailand is playing too great a role in the Cambodian problem and blame Thailand for the failure of the "cocktail party" idea, which was proposed by Indonesia. They feel that Thailand distorted things slightly. I hope that ASEAN will trust Thailand on the Cambodian-Vietnamese issue. Because Thailand has had to deal with the Cambodian-Vietnamese problem for 400 years.

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**Smuggling, Military Atmospherics Viewed on  
PRK Border; Conflicts Disparaged**

42070006a Bangkok LAK THAI in Thai  
27 Aug 87 pp 53-55

[Article by Nari Saifong: "Trat-Chanthaburi"]

[Excerpts] Khlong Yai, the Border and Contraband, June 1987

Border towns and pioneering work are always a challenge. Strangers and strange places are always exciting.

Khlong Yai, a district on the Cambodian border in Trat Province, has not had any tourists for a long time because of the endless reports about the fierce fighting in the Cambodian civil war, which leads to showers of artillery shells, particularly during the dry season.

I reached Khlong Yai at dusk. Khlong Yai is 304 km from Bangkok. It took me 4-5 hours to get there via Chonburi, Rayong, and Chanthaburi in intermittent rains, which is the same as in the south. When I reached Trat City, I immediately transferred to a Trat-Khlong Yai minibus to go to Khlong Yai.

I hurried, because I was afraid that the bus would be full. Because as is known, there are few provincial buses and they are often late. But I was surprised to learn that buses leave for Khlong Yai all the time. All you have to do is be there by 1800 hours. This gave me a chance to shop for some items in case there were shortages there, as is often

the case in remote towns. I was very surprised. Who has ever heard of a provincial bus making a trip of 74 km on time as if this were in the capital!

The provincial buses used in Thailand are unlike those anywhere else in the world. Foreigners have written about these buses with a mixture of wonder and fear. These buses don't just transport passengers from one point to another. They also haul a wide variety of goods.

The bus left the provincial city and headed south. We crossed the Trat River, which is about the size of the Ping River as it passes through Chiang Mai City. However, it has much greater natural beauty. The banks are sandy. Rows of small fishing boats were docked there, and people were living on them.

There were vehicle checkpoints all along the highway. On the sides of the road at intervals were bunkers, and there were several Thahan Phran irregular camps in the foothills. The bus had to stop at the Tha Sen Border Police Patrol checkpoint, the Mai Rut provincial police station, and the Khlong Makham thahan phran irregular checkpoint. I have never seen a district filled with soldiers and policemen from so many different units. I was told that there are also marine police officials, marines, and sailors subordinate to the Gulf Patrol Unit, which protects our territorial waters in this area, in Khlong Yai City.

The driver and the police officials seemed to be on very friendly terms. They kidded with each other and gave things to each other.

"Speaking about the police, no one likes them. Children cry out to warn of the arrival of the police. They are afraid. They then stop crying immediately. But I don't feel that way. In a job such as this, I have to like the police," said the driver, the brother of the man whom I had asked for information. The only thing he could have meant by a "job such as this" is smuggling. Because smuggling and the border go together as a pair. But why was he so open about this?

Here, no one is startled by the word "smuggling." This is a normal occupation for villagers here, and certain government officials are involved. This accounts for the large number of minibuses and the great variety of goods transported on these buses. This is the heart of Khlong Yai's economy. And it has the tacit approval of senior people.

The bus driver was just an underling paid to transport the goods. He did not own them. At the same time, he picked up passengers to earn a little extra money. When the goods reach the district, the owner transfers them to a longboat and sails about 10-20 minutes into Cambodia, where he offloads them at the mouth of the Hua Khwai canal and the New Market. But this is just a small quantity. For large quantities, the owner hires a truck to transport the goods. There are places to hide the goods.

Fishing boats are used to sail into Cambodian waters and transport the goods to Kong Island or Batchan Khirikhet, which used to belong to Thailand. Today, there are still people of Thai ancestry living there. Sometimes, goods are transported to Vietnam. If the smugglers make it, they are well rewarded for the risk taken.

Marketing is no obstacle to this import-export business. Because they can certainly get orders. Rather, the problems are the marine police, that is, whether they want to arrest a person or not, and pirates. It's said that those who have grown the richest without having to expend any energy at all are the marine policemen.

The Thai goods smuggled into Cambodia are purchased by people from Phnom Penh. The price of the goods skyrockets. Many people profit from these goods before they finally reach the Cambodian consumers. This is a shame. Not only are these people suffering the hardships of war, but they are also being charged exorbitant prices for goods. And there are shortages of goods. From the very beginning of the smuggling operation, the profits are good.

"I was paid 300 baht apiece to transport these two motorcycles, which makes 600 baht for this trip. There are always goods to transport. They calculate by the dozen. The price varies depending on the type of item. For example, the price is 20 baht for a dozen shirts and 10 baht for a dozen pairs of shoes. Several hundred dozen can be transported in one trip. What pays well is Madam perfume. That is 30 baht per case. I can earn a lot each trip, because the cases are small." Readers can calculate the amount themselves.

The driver also told me about the tastes of Cambodian consumers. He said that the goods that are ordered must meet the specifications; otherwise, they won't accept the goods. "The perfume must be the Madam brand. If it is some other brand, regardless of how expensive it is, they won't accept it. The soap must be Lux, which is used by most stars. They want Spring Song powder, Arche cream, red Fesson bicycles—they won't accept any other color—white Oyama shoes, and green Madao slippers. They refuse to change regardless of what we suggest. These are the goods that they like."

However, we must not forget strategic goods. "If you ship goods such as medicines, the profits are much greater than these other types of goods. But I don't transport such goods. Because if you are caught, the penalties are very severe. And I support my country, too. I don't transport seasoning powder. It's said that the Vietnamese use this to stop bleeding."

The minibus finally stopped in front of the open-air market opposite the public air-raid shelter. It is said that officials built this shelter to protect people from the artillery shells periodically fired from across the border. Around their homes, the people have bunkers. Several years ago when the fighting in Cambodia was so fierce

that tens of thousands of Cambodians fled to Thailand and the Red Cross had to establish a refugee camp 17 km from here, the residents of Khlong Yai fled by boat, abandoning the district. Now, people have gotten used to this and accept the fact that some people are going to be killed by stray shells. Because this is their home. They consider the sound of the artillery to be the "music" of the dry season. Several days before I arrived, shells landed here, but no one was hurt.

I had time to walk around before looking for a place to stay. I noticed the buildings there. Khlong Yai is a rather crowded community. The city expanded from the coast and is divided into three sections. The first is formed by the Pla bridge at what is called Khlong Yai [big canal]. More than a hundred large fishing boats are docked here side by side. The large wooden building near the bridge is used to sort the fish. Farther from the beach are narrow streets lined with wooden row houses with hinged doors or old, two-story buildings. Farther on is the open-air market and modern three- and four-story buildings. From talking with people, I learned that this town is about 150 years old. Originally, most of the residents were Chinese, which is true of most of the towns in the east. But today, more than half are Thai from Kong Island. Looking at the price of goods, it is clear that the inflation rate has been high here. There has been a business boom here. Even though this is a small town, I did not see anyone riding a bicycle. Everyone rode a motorcycle.

I looked at some Cambodian enamelware at a candy shop which used this to decorate the shop and which also sold this item. This is a well-known import. It's hard to believe that this poorly-made enamelware, including vases and elephants, sells for 400-500 baht at Suan Chatuchak. But this is about the only souvenir that visitors can buy and carry back with them. The town is similar to Bangkok in that it does not have its own unique culture. But the people here are wealthy enough to support themselves without having to look for cultural items to sell to tourists as in other regions.

The war has not brought just stray shells, contraband, and Cambodian refugees. Occasionally, Vietnamese come and close the roads, and Cambodian soldiers come and "half ask, half force" people to sell them food and supplies. Spies pass through, and there are clashes. And there are Vietnamese refugees. Illegal taxes must be paid on imports many times before the goods enter Thailand. "Vietnamese refugees live right behind the police station. But those are not their permanent homes. They are just staying there until they are sent elsewhere. These people did not come here by boat. They came in stages. They may have left Vietnam and gone first to Cambodia. From there they went to Kong Island and then Hat Lek. From Hat Lek, they came here. Those who brought them here do this as a business. They are experts in this and make a handsome profit," said my new friend.

What is so good about war? Why has it continued for so long? The war brings destruction and death to the participants, both victors and vanquished. But the war continues. Is it true that war is a matter of honor, of what is right, and of prestige? Who can believe this? From what I saw there, this is a matter of profits. It is a major business, and its survival has received strong support. Outsiders profit greatly from the war. Only those fighting the war suffer. Those who are exerting pressure to have war are the weapons dealers. Business during wartime is probably better than during times of peace. Poor people can make a fortune quickly. They are the ones who are really directing things. Those who are doing the fighting are stupid. They are playing a scene in a movie entitled "Perpetual War."

A few scraps are thrown here and there. A number of minor smugglers enjoy a good life. The economy of the entire district is good. The soldiers receive an allowance that is higher than normal. But this means that people are making a living off the war. I, as a reporter, came to report on the border situation. Newspapers that print sensational stories sell better than those that report only ordinary stories. Peace organizations, which request funds from other countries, have something to complain about. Who wants the war to stop!

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#### **CRMA Class 9 Increasing Command Slots**

42070005d Bangkok LAK THAI in Thai  
17 Sep 87 pp 23, 24

[Unattributed report: "CRMA Classes 5 and 9, Secret Allies"]

[Excerpt] Big Mong Will Definitely Go to the 1st Division

Last year, there were reports that Maj Gen Mongkhon Amphonphisit, or Big Mong, the commander of the 9th Infantry Division in Kanchanaburi, would be made commander of the 1st King's Guard Infantry Division. But instead, he was appointed commander of the 9th Division when Maj Gen San was moved from the 2d Division stationed on the eastern border and appointed commander of the 1st King's Guard Division in place of Lt Gen Wimon Wongwanit, who was appointed commander of the Special Warfare Command. But this year, Maj Gen Mongkhon will definitely be appointed commander of the 1st King's Guard Infantry Division. Special Col Chettha Thanacharo, the deputy commander, will replace him as commander of the 9th Infantry Division. Special Col Chettha is a member of CRMA [Chulachomklao Royal Military Academy] Class 9, the same class as Big Mong. At the end of last year, he was transferred from his position as deputy commander of the 2d Infantry Division to wait to take command from Maj Gen Mongkhon. The fact that Maj Gen Mongkhon will become the commander of the 1st King's Guard Division and Special Col Chettha will be promoted to

major general and appointed commander of the 9th Division is tantamount to increasing the number of "class leaders" who hold command slots. This shows that CRMA Class 9 is "solid" and that people should keep an eye on this class.

#### **CRMA Class 9 in Firm Control**

CRMA Class 9 will be in control of various divisions. That is, Maj Gen Mongkhon will command the 1st King's Guard Division and Special Col Chettha Thanacharo will command the 9th Division. Other members of this class include Maj Gen Kitti Rattanachaya, or Phi Ching, the commander of the 5th Infantry Division, the key force in the 4th Army Region, and Maj Gen Somchet Sapsombun, the commander of the 4th Military Circle in the 4th Army Region. Maj Gen Mongkhon was the first member of this class to be promoted to the rank of major general. That was when he was transferred from his position of commander of the 9th Infantry Regiment, 9th Infantry Division, and made an aide to Gen Prem Tinsulanon. Later on, Maj Gen Kitti Rattanachaya was made commander of the 5th Infantry Division. Maj Gen Somchet Sapsombun was promoted to major general last year.

The fact that CRMA Class 9 is in firm control of several divisions means that people should keep a close watch on the role played by this class in the future. It might replace CRMA Class 5 in the near future. What that means is that when power shifts from CRMA Class 5, this power will be inherited by Class 9 instead of classes 6, 7, or 8. CRMA Class 6 has close relations with CRMA Class 5. This is because some of those who entered the academy as members of Class 5 graduated at the same time as members of Class 6. Nothing needs to be said about Class 7, the "young turk" class, because it has just been rehabilitated and is learning "how to walk again." Members of CRMA Class 8 include Maj Gen Wattana Sanphanit, the commander of the 1st Special Forces Division, Maj Gen Oraphan Wattanawibun, the commander of the 2d Special Forces Division, and Maj Gen Surachet Dechatiwong, the chief of staff of the Special Warfare Command. These are the key men this year. One of our news sources said that few members of CRMA Class 8 will advance and that we should keep an eye on Class 9, a class that has strong solidarity.

#### **CRMA Class 5 to Class 9**

The fact that Maj Gen San Siphon, the commander of the 1st King's Guard Infantry Division, will be replaced by Maj Gen Mongkhon Amphonphisit means that the power of this important division is being transferred from Class 5 to Class 9. This division has been commanded by Class 5 members for many years. That is, command of this division passed from Lt Gen Isaraphong Nunphakdi to Lt Gen Wimon Wongwanit and then to Maj Gen San Siphon. Thus, it seems as if Class 5 is a rather strong ally of Class 9, with the senior class skipping over three junior classes to help Class 9. It is

also clear that Lt Gen Suchinda Khraprayun, the deputy army chief of staff, who will be promoted to full general and appointed army chief of staff this year, has a close relationship with Maj Gen Mongkhon Amphonphisit, one of the key men in Class 9. It is thought that after members of Class 5 are promoted to "higher positions," their "lower positions" will be taken by members of Class 9, which is the class chosen by Class 5.

If Class 5 rises to the upper level and Class 9 forms the secondary level, how can Class 9 support them in view of the fact that many members of Class 9 are at a much lower level? That is, some members of this class are still deputy regimental commanders or divisional chiefs of staff. Many fellow classmates at this level will be appointed regimental commanders or deputy divisional commanders so that they will be in a position to become divisional commanders in the future. Today, some members of Class 9 are already deputy divisional commanders. These include Special Col Udom Ketphrom, the deputy commander of the 1st Special Forces Division, and Special Col Thiradet Miphian, the chief of military intelligence, Special Warfare Command.

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#### **Editorial Urges More Debate on Arms Stockpile**

42070005c Bangkok SIAM RAT in Thai 12 Sep 87 p 8

[Editorial: "The Arms Stockpile Problem"]

[Excerpts] On 11 September, in cooperation with *Siam Rat*, the Peace and Development Program held a seminar on the topic "The Arms Stockpile Problem" at the Faculty of Political Science, Chulalongkorn University. It was felt that the public knows very little about this. And what is important is that very few people know what this "arms stockpile" is, why we need one, how we can obtain such a stockpile, and most importantly, what effect this will have on the country.

The Thai government is eager to have an arms stockpile. It has given the military the task of negotiating the details with the United States. As for what the results of these negotiations will be, it seems that the Thai military is the only one responsible for this matter. They are just waiting for the U.S. Congress to decide whether to issue a resolution approving the establishment of an arms stockpile in Thailand. Congress will probably give Thailand the answer sometime in October.

It can be seen that this matter has been handled by the administration alone. The administration did not ask the legislature for its views on this. This is very strange. And it is very different from in the United States. There, even though the administration is cooperating with Thailand, it has had to submit the matter to Congress for consideration.

It is the manner in which the decision to establish an arms stockpile was made that has raised doubts and questions, particularly among scholars and reporters. People wonder whether this will be good or bad for Thailand and for peace in this region in the future.

Some people fear that the establishment of this arms stockpile will turn Thailand into a target of attack both politically and militarily, that this will create new conflicts with our neighbors, and that this will make it impossible to bring about peace in this region. These doubts might be dispelled by revealing what this arms stockpile plan is all about and allowing the people to participate in discussing this and determining the proper course of action.

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#### **Army Official Discusses New Personnel Policies**

42070005a Bangkok SIAM RAT in Thai 27 Aug 87 p 2

[Interview with Lt Gen Sanan Sawetserani, the assistant army chief of staff for personnel and chairman of the Work Committee To Consider Improving Personnel Activities and Using Volunteers in Regular Units; date and place not specified]

[Text] [Question] Would you discuss the policy of accepting applications for positions in regular units (volunteers)?

[Answer] In order to implement the policy of the RTA CINC, Gen Chawalit Yongchaiyut, in turning the army into a leaner and more agile force of great efficiency by developing our personnel and weapons and in view of the fact that Thailand must now practice fiscal restraint, we have to take steps to make the army lean but tough in accord with our budget allotment.

[Question] Has this program been promulgated as a royal act?

[Answer] The Military Draft Act remains unchanged. We are just testing this. If good results are achieved, we will have to revise this act. We will proceed gradually. If this does not achieve results or the results are not good, we will stop this program. We will test this for 2-5 years. The RTA CINC wants us to start appointing troops beginning on 1 November 1987.

[Question] How many will be accepted initially?

[Answer] This program will be tested at two units, the 9th Infantry Division in Kanchanaburi and the 6th Infantry Division in Ubon Ratchathani. The volunteers who participate in this will serve as regular soldiers for a period of from 2 to 5 years.

[Question] For what units can they volunteer?

[Answer] Initially, we will accept applications for combat and combat support units only. This includes infantry and artillery regiments, tank, engineer, and communications battalions, and reconnaissance and long-range reconnaissance companies. In the next stage, the program will be expanded to the remaining units in the divisions.

[Question] What are the advantages and disadvantages to drafting soldiers versus accepting volunteers?

[Answer] The advantages in accepting volunteers should far outweigh any disadvantages. For example, we won't have to waste money training draftees only to see them leave the service after 2 years. Thus, we will save money. Accepting volunteers should prove more beneficial than drafting people. They will have volunteered to serve their country and will not have been compelled to do so. We will have knowledgeable and capable soldiers with the qualifications needed. We won't have to issue warrants for the arrest of people who have failed to report for duty when drafted. This will help put talented resources to work and reduce unemployment. The army will obtain qualified people.

[Question] Have you stipulated qualifications?

[Answer] We have not set any educational qualifications. The only qualifications are that the person must be a Thai male between the ages of 18 and 25. Anyone who meets these two qualifications can volunteer. After we have received the applications, we will make the selections based on the criteria set by the military. First are the physical requirements as set by the military. For those who are selected, there will then be a second selection based on the qualifications of the applicants. For example, if 1,000 people apply and we need only 500, we will initially select 700 people. We will then select the 500 people who are best qualified. Those who have lesser qualifications than these 500 will not be selected. It's good that the army will have educated people, right?

[Question] How much will they be paid?

[Answer] During the first 8 weeks, volunteers will receive the same salary, allowances, and expenses as draftees. After the first 8 weeks, they will be eligible for a raise. But the allowances and expenses paid them will remain the same. A draftee receives a monthly salary of 420 baht, a daily allowance of 16 baht, and daily expenses totaling 8 baht for a total of 1,140 baht a month. But after the first 8 weeks, the salary will be raised to 720 baht a month, which when added to the allowance of 16 baht a day and the daily expenses of 8 baht will come to 1,440 baht a month.

[Question] Will these volunteers be developed and turned into NCOs?

[Answer] After they have been in the military for 2 years, if their commander feels that they have good capabilities and have conducted themselves properly, based on the needs of the military, consideration will be given to promoting them to NCO grade, with the rank based on their qualifications. We will no longer have to accept NCO candidates. This will save money.

[Question] If the military stops drafting soldiers, will this erase the bad image that people have concerning officials demanding money?

[Answer] We have given much thought to this. We have drafted soldiers to serve the country. Those who do not want to be soldiers are willing to pay huge sums, which tempts officials to engage in corruption. What is worse, many of those who enter the service are inferior in quality, which reduces the efficiency of the military. Now, we will be accepting volunteers. They will have joined voluntarily. This should prevent corrupt officials from engaging in such activities. But we can't be sure. If large numbers apply, some may try to pay bribes. In the past, they paid bribes to avoid being drafted. Now people may try to pay bribes in order to be accepted into the military. If this program is a success, very strict regulations will be issued on this.

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#### **Columnist Questions Army Motives Over Lao Border Dispute**

42070007a Bangkok *KHAO PHISSET in Thai*  
19-25 Aug 87 pp 6, 7

[Unattributed article: "Why Are Thailand and Laos Arguing About a Map?"]

[Text] In June 1984, there was a serious clash between Thailand and Laos over a 20-square km area along the border between Uttaradit Province in Thailand and Sayaboury Province in Laos. This is known as the "three villages incident."

Thailand occupied this area for a period, claiming that maps prepared by the United States clearly showed that this area belonged to Thailand. Laos, on the other hand, claimed that maps prepared by the French colonialists in accord with the border treaty signed with the Kingdom of Siam clearly indicated that these three villages belonged to Laos.

A number of people were killed or wounded in the fighting. Several hundred people were moved deeper into Thailand, and they are still here. Thailand finally withdrew its troops from the disputed area at the end of last year. These three villages have been a problem for 3 years now. This problem has still not been solved. This has become a major obstacle to improving Thai-Lao relations.

And now there is more trouble. Last week, a clash between Thai Thahan Phran irregulars and Lao government forces made the front pages of our two English-language newspapers. The new disputed area is located just south of the three villages. This time, the area under dispute is located between Chat Trakan District in Phitsanulok Province and Bo Ten District in Sayaboury Province. As yet, there has not been any official statement by the Thai military spokesman. But "military news sources" told these two newspapers that Lao forces penetrated 2-3 km into Thai territory in the Ban Rom Klao area.

This took place at the end of May and beginning of June. Both sides suffered casualties. And the Lao forces captured a number of Thai citizens and "took them back" to Laos. Following that, negotiations were held at the local level in order to win the release of these people. But they have not yet been released.

There was another serious clash on 8 August. This clash lasted 6 hours. Following that, both sides reinforced their positions with additional troops and heavy weapons. This is what a Thai "military news source" said. However, if we consider the Lao reaction, there are several points worth thinking about.

Laos has clearly indicated that it does not want this new dispute to become a major issue. Radio Laos gave the initial official reaction by broadcasting an interview with Mr Duangchit Phetlangsi, the Ken Thao district officer, on 11 August. This is very different from 3 years ago. Because that time, just a few days after the clash and the seizure of the three villages by Thai soldiers, Gen Sisavat Keobounphan, the Lao minister of interior, issued a strong statement in Vientiane. The target of his attack was the former RTA CINC and supreme commander and the "right-wing reactionaries in Thai ruling circles."

But this time, the only thing that the Ken Thao district officer said was that "certain groups of Thai soldiers are cooperating with Thai companies to fell timber belonging to Laos in an area near the Lao-Thai border in Ken Thao District." Concerning this problem, he said that "Thai military news sources have released information distorting the truth."

Even though Mr Duangchit did not refer to the disputed area as "Ban Rom Klao," he was obviously referring to that area. He said that that area is 2 km inside Laos.

This local Lao official also said that this area is in Na Bo Noi Canton and that Thai have secretly been felling trees here since the end of 1984. Out of a total area of 75 square km, they have felled trees on approximately 35 square km. They have also built several roads into the area. These roads penetrate as far as 4 km into Laos.

The felling of trees does seem to be involved in this dispute. A Thai military news source told one of the English-language newspapers that a tractor belonging to

a Thai company was hit by an RPG round while pulling logs near the scene of the incident. But contrary to the statement made by the Thai military news source, the Ken Thao district officer said that Phu Soi Dao, which is the highest mountain along the border there, forms a natural border watershed. Thailand, on the other hand, said that Laos considers this mountain to be located inside Laos. Mr Duangchit said that the Lao border here is in the Heuang Thuan and Heuang Pla Man area, which runs north toward the watershed in the Phu Vieng and Phu Soi Dao mountains. "The Thai right-wing is using a large number of troops to guard this area." And construction work is being carried on here.

What is funny is that in the case involving the three villages, Thailand cited the map prepared by the United States. It claimed that this map was prepared more recently and that it is clearer. Laos, on the other hand, used a map prepared by France. But this time, just the opposite happened. Thailand's military news source said that Thailand is relying on the French map while Laos is using the American map.

What is this dispute really about? Is it about the interests of certain groups or about national sovereignty and territorial integrity?

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#### **Article Charges Cabinet Disarray, Ill-Health, Corruption**

42070008 Bangkok MATICHON SUT SAPDA in Thai  
30 Aug 87 pp 15, 16

[Article by Bunloet Changyai: "Undoing the Latch and Disclosing the Secrets of the Government House"]

[Text] It was on 27 August 1986 that Gen Prem Tinsulanon, the prime minister, and his cabinet went and informed the House of Representatives of the government's policies, which is customary for an incoming administration. It has now been exactly 1 year since the "Prem 5" administration took office.

Comparing the government to a ship, the role of the captain, that is, Gen Prem, and the crew, that is, the ministers, is quite clear to the people. Each person must do his best to move the ship forward.

But it seems that every effort is made to conceal the role played by these people at the Tuesday cabinet meetings held at the Government House. What the people are told are the results of the meeting as filtered through the spokesman and deputy spokesman attached to the Office of the Prime Minister. But nothing is said about the atmosphere during these meetings. For example, when discussing some issue, perhaps the minister concerned is asked a question but is unable to give an answer. How

does the chairman perform his duties? Do the ministers like to mill about like children when Gen Prem goes to the restroom. Such matters are "top secret" and must not be disclosed.

Because cabinet meetings are very important, before any conclusions are reached about a particular matter, people must give first give their views on the matter. How much discussion there is depends on those attending the meeting. *Matichon Sut Sapda* talked with a man involved in cabinet meetings in order to brighten this tarnished image. This special report is an accurate and straightforward account of what he said. Stated another way, I have "told it like it is."

### **Discussions Based on the Agenda Follow the Principle of "You Scratch My Back and I'll Scratch Yours"**

At cabinet meetings, Gen Prem, who chairs the meetings, sits between the five deputy prime ministers (four parties plus one). The ministers sit around the table, which is in the shape of a "U," arranged by ministry. They are not free to sit wherever they want. The purpose of this is to enable the ministers from the same ministry to discuss matters with each other or respond on behalf of each other.

At these meetings, Gen Prem sticks closely to the agenda. During the discussions, he does not allow the ministers to talk about other matters. And when they argue about something, they must do so in the name of a ministry, bureau, or department. They can't argue in the name of one of the four parties to which the ministers belong.

The ministers in the Prem 5 government all feel that if some matter does not concern them directly, they must not say anything. For example, if the Ministry of Industry brings up an issue concerning mining, the minister attached to the Office of the Prime Minister who is responsible for sports will not give an opinion. Ministers from the Thai Nation Party will not say anything about matters concerning the Ministry of Agriculture because they feel that the Democrat Party is responsible for the affairs of this ministry. There are occasionally exceptions when a person has been in charge of such matters previously or has experience in these matters and Gen Prem asks him to give his opinion.

For example, Mr Phong Sarasin, the deputy prime minister from the Social Action Party, may give his opinion on the use of sugar, because he is engaged in the soft drink business. Or if there is a serious dispute concerning the Ministry of Interior, Mr Wichit Saengthong, the minister attached to the Office of the Prime Minister, may say something as a former director-general of the Department of Labor. In matters concerning the Department of Highways, even though Mr Banhan Silapa-acha of the Thai Nation Party is the minister, Mr Chalio

Watraphuk, the deputy minister of interior and a member of the Ratsadon Party, may give his opinion in view of the fact that he once served as the director-general of the Department of Highways.

The fact that ministers do not want to become involved in issues that do not concern them directly has the nature of "each man for himself." The main reason cited is that this is being "polite." A news source said that this is like "you scratch my back and I'll scratch yours." This is a form of mutual help. If you will scratch my back when it itches, I'll scratch your back when you have an itch. Thus, in many instances, when there are problems or conflicts, instead of discussing the matter together, people keep their mouths shut because they are afraid of saying anything that might affect the minister concerned, which might offend him.

"Actually, if we take a deep look, such behavior is not good. Because instead of each minister expressing his views freely, they are afraid of offending each other. They are afraid that if they oppose some program of another ministry, later on when they request authorization for some program of their own, the other ministers or parties will oppose their program. Thus, unfortunately, they are not very sincere about matters affecting the country," said the news source in the cabinet to *Matichon Sut Sapda*.

Not only do ministers refrain from getting involved in the affairs or programs of other ministers. Sometimes a minister lobbies others outside the cabinet room to gain support for a project of his that is on the agenda. For example, the Ministry of Education asked the Office of University Affairs for support when it proposed revising the education plan.

### **The Problem of Corruption, an Old Role That Government Officials Refuse To Abandon**

An issue that has been discussed frequently at Prem 5 cabinet meetings and that has recently become a "hot" topic is the problem of corruption among officials, who engage in activities that are not illegal on the surface but that involve huge profits. Such matters include bids for the construction of schools, bids for telephones, bids for distilleries, and so on. The newspapers frequently print stories about people making huge profits from such activities. And there are units that borrow money from the Farmers' Welfare Fund to pay their debts. But once they get the money, they loan it out to others at a higher rate of interest instead of using it to pay their debts. The question is, who gets the profits? Besides this, there are the inefficient operations of various state enterprises.

"Many of these activities involve personal profit. What is important is that politicians are involved, too. Sometimes, money is just wasted. Take the projects to build docks at Pattani and Songkhla, for example. The money that was invested has not been recovered because few



boats have used the docking facilities. The prime minister feels terrible about this. Such things happen all the time, but apparently nothing can be done. You can't blame any particular person or group," said the news source.

There are also other problems that weigh heavy on the mind of the prime minister. For example, every year, the government spends 8-10 million baht to ransom fishermen arrested by neighboring countries, including Malaysia, Burma, Vietnam, Bangladesh, and India. This problem has still not been solved. There is also the problem of poor people trespassing on public forest land and ruining the headwater areas. So far, no way has been found to solve this problem.

All of these problems cause headaches for those responsible for formulating policy, that is, the cabinet, because these are problems at the operations level.

#### Michai, Very Proficient; Han, Far in the Rear

Of the 43 ministers, excluding Gen Prem, it must be admitted that the work proficiency of these men is very different. Some of these men are experts in their field. But many of them know very little about the work for which they are responsible.

The minister who plays a major role in this cabinet is Mr Michai Ruchuphan, the minister attached to the Office of the Prime Minister. At meetings, it is generally accepted that Mr Michai has much broader knowledge than the other ministers. One reason for this is that he has been a minister ever since the Prem 1 administration. Second, he has great interest in a variety of matters. Third, in his capacity as a legal advisor, he is very close to the prime minister. There have been times when disgruntled officials in various ministries have brought data to Mr Michai to have him take action. Thus, on several occasions, Mr Michai has discussed problems in a ministry even before the minister concerned learned of the problems. Another knowledgeable person is Mr Suthi Singsane, the minister of finance. Bringing up the rear is Gen Han Linanon, the minister of agriculture. Senior bureaucrats have tended to treat him with scorn.

A news source said that even though Gen Han is the minister of agriculture, he knows very little about the activities of this ministry. For example, he does not know what the ministry's large and small programs are or what is happening in the ministry today. Even though Gen Han has made a great effort to understand the work of the ministry and has even gone to the expense of hiring an advisor to explain matters to him at his home late into the night, at the cabinet meeting the next day, he cannot explain matters in detail. In many cases, Mr Michai knows more about the matter than Gen Han.

A clear example of this is the construction of the Vaccination Center by the Department of Livestock Development. This led to huge losses.

Furthermore, Gen Han frequently fails to attend meetings. Perhaps this is because he has other important business. As a result, when an important issue concerning his ministry comes up for discussion, no one can explain matters. Even Mr Suthep Thuaksuban, the deputy minister of agriculture, who is from the same party as Gen Han, has said that he doesn't know anything about such matters because Gen Han has not entrusted them to him.

The other ministers all know that Gen Han's health is not very good and that his mind tends to wander. He once told a close associate that he can't seem to think very clearly but that he refuses to give up.

Mr Pramuan Saphawasu, the minister of industry, is another person who is not very skilled in his job. To say that he does not know anything is a little too strong. When he is asked a question at a cabinet meeting, he frequently cannot answer the question. It is then up to Mr Kon Thappharangsi, the deputy minister, who is from the same party (the Thai Nation Party), to answer the question.

As for Mr Montri Phongphanit, the minister of commerce, outside, he speaks very well. But at cabinet meetings, he says very little, and what he does say is not very clear. He lets the other ministers make their own interpretations. If he has to say something, he usually says, "there is nothing.... I will inform the prime minister." But no one ever tries to question him thoroughly on matters concerning rice or some other issue in the news. This is because they all adhere firmly to the principle of "scratching each other's back."

The Ministry of Education has three ministers, Mr Marut Bunnak, the minister, and Mr Samphan Thongsamak and Gen Mana Rattanakoset, the deputy ministers. None of these men knows very much about education. In particular, nothing needs to be said about Gen Mana because everyone knows this.

Mr Sawai Phatno, the deputy minister of interior, speaks well and has good ideas.

Mr Suphachai Phanitchaphak, the deputy minister of finance, always presents the facts and considers the work more important than party interests.

*Matichon Sut Sapda* asked whether it is true that the ministers mill about and act like children when Gen Prem is not present in the cabinet room. Because Mr Montri Chenwitkan, the deputy spokesman, said this during a debate at Thammasat University, and the newspapers then wrote that they act like "monkeys." Our news source, who is a minister, admitted that they do act like that occasionally. The reason why they walk about is that they want to stretch themselves after sitting for so long. Or they want to chat with other ministers. This is normal. "If what Mr Montri said is not correct, why hasn't someone denied this? Some ministers have

said that it was not his business to say that and that he should have said that good decorum is maintained both when Gen Prem is present and when he is absent. But hasn't this matter quieted down now?"

Listen to Old Stories Under the Table. Talk Leads to the Person at the Head of the Table

As head of the cabinet, Gen Prem frequently tells the cabinet that with respect to the things done by Mr Samak Sunthonwet when he was minister of communications in the Prem 4 administration, we cannot talk about personal matters. If something is good, we can accept it. But if the situation changes, the things that Mr Samak did may no longer be useful and so changes can be made.

However, because the Prem 5 cabinet is headed by the same prime minister, the only thing that has changed is the political parties. Things move in circles like this. Thus, the major programs are all tied together. The person who must take full responsibility is the person at the head of the table, Gen Prem, who is the head of the government. Thus, during meetings, no one raises old issues, because that would necessarily affect Gen Prem.

"I have been attending cabinet meetings for a year now. During that time, I have never heard Gen Han say anything about the work done by the previous minister of agriculture, Mr Narong Wongwan," said a minister.

Gen Prem rarely gets angry at cabinet meetings. He prefers to give encouragement. For example, during the first 3-4 months after the administration took office, Gen Prem was not very happy with Gen Han. During the 6th month, Gen Prem tried to encourage him by saying that he was doing a good job. They used to work together in the 2d Army Region. This encouragement gave Gen Han the incentive to take urgent action to suppress timber smuggling.

But Gen Prem is very strict with regular government officials who come to explain projects. If he asks a question and they cannot give a clear answer, Gen Prem immediately responds by asking, "Why can't you give me a clear answer? Why do you have to equivocate?" Older officials are often treated this way. Thus, many regular officials who have to present a report at a cabinet meeting tremble and perspire. They know that if they make a mistake or can't answer a question to the satisfaction of the prime minister or cabinet, when they return to the ministry, they will definitely "catch hell" from the minister.

When programs of the Ministry of Justice are discussed, the atmosphere is usually relaxed. One time, Gen Prem asked Mr Sa-at Piyawan, "What's up? Who is going to explain things today?" There was much laughter, because such a remark indicated that the prime minister was aware of how well Mr Sa-at was informed about the ministry's activities.

One time, a young official, a lawyer from the Ministry of Industry, gave a good presentation and succeeded in answering all the questions. Gen Prem praised him by saying, "You are very smart."

The Prem 5 cabinet holds a meeting every Tuesday morning until noon. Occasionally, they run into the afternoon if there are many things to discuss. Those things that hinder cabinet members from performing their duties fully in order to protect the interests of the people of the country should be corrected. Unless Gen Prem takes action in his capacity as the head of the government, cabinet members will continue to "scratch each other's back" and treat each other with great consideration out of fear that doing otherwise could affect their own interests.

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#### Private Sector, Government Conflicts in Export Promotion

42070006b Bangkok LAK THAI in Thai  
27 Aug 87 pp 31, 32

[Unattributed report: "Special Private Sector Specialists, Conflict Between Two Ministries"]

[Text] Something very different happened at a recent cabinet meeting. During the years that Gen Prem Tinsulanon has been prime minister, he has never asked for the views of the entire cabinet. But more than 3 weeks ago, he asked all cabinet members to give their opinion on the issue of appointing "special experts" from the private sector as advisors and having them deal with the matter of stepping up exports to various countries in accord with the government's policy of quickly stepping up exports. These special experts would be needed "reinforcements" in solving the problems and overcoming the obstacles that arise in each country, particularly the problem of protectionism. Protectionism is becoming the fad on international trade markets. Gen Prem has said that the Ministry of Foreign Affairs should not play the role of a merchant in penetrating trade markets. Instead, it should work to improve international relations. Trade should be the direct responsibility of the private sector during the various stages of negotiations. The Ministry of Foreign Affairs should play a role in building friendly cultural relations and monitor trade activities from above.

A high-level news source in the Government House told *Lak Thai* that "bringing in special experts from the private sector will strengthen us in our trade struggle with other countries. These private sector specialists will be the vanguard in penetrating these markets. Government officials will form the rear line and play a supplemental role. Japan, for example, uses former prime ministers and former foreign ministers as heads of special diplomatic teams in negotiating with the heads of other governments in order to solve the trade problems. This has been very successful. Because politicians at the

level of minister are limited in the conditions that they can propose. But special envoys can play a broader role in the negotiations. And there is the matter of profits and capable people. Thus, use should be made of these people when carrying on negotiations. We should make use of the great experience of these former leaders and administrators, for whom younger people still have respect.

A news source in the Ministry of Commerce told *Lak Thai* that "the Export Development Committee once held the view that at a time of strong competition, people from the private sector should serve as directors of the export centers abroad. They can do this as private sector commercial envoys. That is, people can be hired to administer the export of goods. The problem is the law, which forbids private individuals from being hired to serve as commercial envoys or special experts. This complex law must be revised. Our laws have never permitted a government unit to hire private individuals to serve as C-7 or C-8 commercial envoys. Where would the money come to pay them? Perhaps this could be done in accord with business principles. That is, we could calculate the value of the goods exported and then deduct a certain percentage like businesses do. This is a very difficult matter. The most important problem is the government's auditing system to control these activities. Thailand does not have such a system. And if we hire such people and this does not produce results, what would we do then? Would the employer be at fault? Because of such problems, the Export Development Committee put this matter aside. It was simply too difficult to solve the problems, and these were important problems and obstacles. But when Gen Prem asked cabinet members for their views on this matter, the law could be used. Because some people in the private sector were tired of the business system and wanted to be hired as special experts to open up markets and solve the problems."

A news source in a political party told *Lak Thai* that "as for the proposal to use special experts from the private sector to help promote exports, looking at this more deeply, it can be seen that this is a legitimate power struggle by ministries that stand to lose power. It amounts to a review of the role and duties of the ministries to see if they are up to standard. It's not a matter of one ministry moving ahead of some other ministry or of ministries overlapping each other. Besides the fact that this will not produce good results, it will just create turmoil in the ministry that is responsible. It will have to solve one marketing problem after another. I am referring to the Ministry of Foreign Affairs. In the past, this ministry played the role of a diplomat and was responsible for building friendly relations with other countries. But now, it is also playing the role of a merchant. It is trying to sell goods along with carrying out its diplomatic duties. As a result, confidence in the status of the government's representatives has declined. The Ministry of Foreign Affairs should provide an indication of the trade atmosphere by keeping an eye on

things. It should not play the role of salesman itself. But it should monitor things. If some problem arises, it should be ready to step in and immediately negotiate a settlement at the government level. The Ministry of Commerce should play the role of salesman. Commercial envoys, or special experts, can serve as the vanguard in this. The Ministry of Foreign Affairs can be compared to the managing director of a company who is in charge of building friendly relations while the marketing sector is in charge of actually selling the goods. By marketing sector, I mean the Ministry of Commerce. Whenever there are serious problems that are difficult to solve, the managing director can be called in. But this is not the case today. Both are trying to win points by selling goods. And so people don't know which ministry is responsible for what."

A report from the Ministry of Commerce stated that "in the past, the Ministry of Foreign Affairs never interfered in the affairs of the Ministry of Commerce. But today, now that some fighters from the Ministry of Commerce have been transferred to the Ministry of Foreign Affairs, it seems as if the two ministries have divided the tasks. For example, a group of merchants and businessmen will soon travel to China and North Korea. The leader of this group will be a person from the Ministry of Foreign Affairs. Thus, we don't know what this ministry is doing. Officials in the Ministry of Commerce are uncertain about the role of the export stratagems, which are frequently stipulated by the Ministry of Foreign Affairs. In some cases, if we can help each other, that's fine. But that is not the case at present. This has just caused problems with respect to international markets, problems that the Ministry of Commerce must solve. This is an excellent idea. If special experts are appointed, it will probably be possible to solve the problems in the future. But will the Ministry of Foreign Affairs accept the role of these people? We will probably have to wait for the cabinet's response and see what final action is taken."

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#### **Bunchu Party Expulsions, Factionalism Noted**

42070010 Bangkok MATICHON SUT SAPDA in Thai  
6 Sep 87 pp 10-12

[Article by Bunloet Ophat: "Cutting Up the Community Action Party, Bunchu's Last Gasp"]

[Text] On election day on 27 July 1986, 15 of the 228 candidates fielded by the Community Action Party [CAP], a new political party, won election to parliament. The fact that 15 members of this party, which is led by Mr Bunchu Rotchanasathian, won election to the House was not a bad start for the party.

Around June 1986, the party changed its name from the People's Party to the Community Action Party, and the political party registrar approved the change of name in May 1986 [as published]. This party, under its new

name, has now been in existence for just a little over 1 year and so it is still a very young party. But in this time, it has received much attention.

Today, the CAP, which has 14 MPs from the election (the other, Mr Khlaeo Norapati, is no longer an MP), is in the process of expelling five MPs from the party. And according to the constitution, if they are expelled, they will lose their status as MPs. It is this action that has everyone talking about the CAP. Because the party has tried to expel these five MPs twice now. But the political party registrar insists that the five MPs are still members of the party and that they are still MPs.

Some groups feel that the people in the CAP are performing a play entitled "Stories About Expelling MPs." But members of the party insist that the expulsion of these MPs is no play.

This has lead to splits with the CAP, the political party that gave us the following slogan during the election: "We Can Do It, We Are Willing, and We Will Dare To Act." This party's symbol is a bee's nest and so people have commented that the bees are fleeing the hive just as during a general election.

### **Background of the Five Black Sheep MPs, Each Has Different Qualities**

On 23 April, after 15 MPs withdrew their names from the motion, *Matichon* printed their names and described the background of each of these men. As for the five who belong to the CAP, each of them has different qualities.

Miss Unruan Ari-ua, an MP from Zone 1, Roi Et Province, was first elected to parliament as a member of the CAP. She came in first, winning 78,573 votes. She defeated Gen Kriangsak Chamanan, who received only 55,281 votes in spite of the fact that, as everyone knows, Gen Kriangsak, the leader of the National Democracy Party, is the source of the "Roi Et disease," which is just as well known as the disease AIDS.

Mr Wiang Worachet split away from the Social Action Party after parliament was dissolved, because the draft regulations did not pass parliament during the Prem 4 administration. He received 56,200 votes in Zone 2, Roi Et Province. This was his second term as an MP (1983 and 1986). Mr Khachonsak Sisawat, another two-term MP (1983 and 1986) used to belong to the National Democracy Party. Even though he came in last among those elected MP from Zone 2, Roi Et Province, he has gained great notoriety during his latest term as MP. Because he has been investigated for illegally allowing others to use his car.

Mr Arom Phumphiriyaphrun, a first-term MP, came in second by winning 43,824 votes, which was almost 3,000 votes ahead of Mr Prem Malakun Na Ayuthaya, a veteran MP, and ahead of the two Noimani brothers, who were once very well known in Uttaradit City. If you

read the newspapers dating back to October 1980, you will find that he was one of eight suspects in a major narcotics trafficking case. The trial court sentenced him to 30 years in prison. However, the appeals court and the Supreme Court reversed the decision and acquitted him.

Finally, Mr Suthat Sirattanaphan, an MP from Zone 1, Khon Kaen Province, who had previously been involved in local politics for many years and who had been an MP for two terms (1983 and 1986), came in first in Zone 1 with 54,405 votes. In the past, Mr Suthat was quite close to Mr Bunchu Rotchanasathian, the leader of the CAP. And he was a key figure in bringing together Mr Bunchu and Mr Buntheng Thongsawat, an MP from Lampang and the leader of the United Democracy Party. Because both men used to belong to the Social Action Party. But in the end, nothing came of this. Mr Buntheng split away and formed the United Democracy Party, and Mr Bunchu formed the CAP. Mr Suthat helped found the CAP.

On 23 April, there was a strong reaction on the part of the nine CAP MPs who did not withdraw their names from the motion. They called for the expulsion of the five MPs who had withdrawn their names, saying that they would resign from the party if the five were not expelled. Mr Bunchu, the party leader, said that the five MPs had violated party discipline and that the matter would have to be investigated.

That same day, "suspicions" were voiced about a letter of Miss Unruan Ari-ua, an MP from Roi Et. The letter stated her intention of withdrawing her name. But besides the fact that she had not personally written the letter, she had not even read it. She had just signed the letter and sent it. The letter used the pronoun "kra-phom" ["I," used by males]. And there were reports that the CAP would hold a meeting to expel the five MPs.

### **First Round To Expel Ends in Failure, Interior Says That Party Did Not Proceed Properly**

After all the hints, on 24 April, the CAP held a meeting to expel these five members. The five MPs attended the meeting, made statements, and then signed the resolution. Mr Bunchu stated that the result of the voting was that 17 members had voted in favor of expelling the five MPs from the party. This was a joint meeting of the old executive committee and 22 of the original 26 MPs—4 had already resigned.

Even though Mr Bunchu said that 17 had voted in favor of expulsion, the five MPs who were expelled disagreed, saying that there had been only 16 votes in favor of expulsion, not 17, and that this was not three-fourths of the total number of members present. Consequently, they were still members and, therefore, still MPs.

However, the CAP went ahead and reported the results to the political party registrar. The registrar considered the matter for a long time. Finally, on 13 May 1987, he announced that the results of the meeting were invalid because:

"The CAP did not act in accord with the Article 38 of CAP regulations, which requires that a letter stating the time of the meeting and the meeting's agenda and the documents concerned be sent to committee members and party MPs at least 3 days prior to the meeting."

The CAP did not agree with the reason given by the political party registrar. It said that even though no agenda had been sent, all the MPs and committee members, including the MPs who were to be expelled, had come to the meeting. Other MPs said that even though the Speaker of the House is supposed to notify House members of meetings in writing, in many cases, he simply informs them orally just 1 day in advance. This does not invalidate these meetings. Thus, the matter of advance notification of meetings is not an important issue. On the matter of expulsion, the constitution clearly stipulates only the number of votes required. The constitution takes precedence over party regulations. The CAP also threatened to file suit against the political party registrar. But it never did.

Later on, there were rumors that the CAP had just been fooling and had not really expelled these five MPs. They had held this meeting in order to restore their image with the people. Otherwise, the party's prestige would have declined. The Progressive Party took action on this and so the CAP had to take action, too.

#### **A Second Meeting To Expel the MPs, Still No Results, Interior Claims That Committee Member Withdrew Name**

After the CAP passed the resolution to expel the five MPs and before the under secretary of interior in his capacity as the political party registrar ruled that the resolution was invalid, the five MPs and Mr Charoen Phattanadamrongchit, or Sia Leng, appeared at the Hyatt Central Hotel one evening.

They went there in order to meet with Gen Chawalit Yongchaiyut, the RTA CINC, who was there to attend the wedding of the son of a senior army officer. After the registrar issued his decision and the CAP threatened to sue the registrar, the five MPs were still officially members of the CAP.

On 5 August 1987, the CAP held a second meeting to expel them after following the procedures and sending notices about the meeting as required by the Ministry of Interior. The meeting was attended by 24 people. One member of the executive committee, Mr Chitsilapa Intharanuang, and two MPs, Mr Thanet Telan and Mr

Prasat Tanprasoet, MPs from Zone 1 in Nakhon Sawan Province, a different zone from Mr Bunchu, were absent. The CAP permitted reporters and photographers to sit in and take pictures.

At the meeting, Mr Bunchu asked for a show of hands to indicate whosupported and who opposed expelling these MPs. No one raised his hand to oppose the motion. The great majority raised their hand in favor of expulsion. But what was important was that there was no count of the hands in favor of expulsion.

The minutes of the meeting were rather "brief," because after the show of hands, which were not counted but just estimated, Mr Bunchu closed the meeting. During the voting on the resolution, Mr Winai Khummakkhum, a committee member, got up and left the meeting. Mr Arom, one of the five MPs being expelled, got up and said that one person had not voted. He said that only 17 votes had been cast, which was fewer than the three-fourths required. But Mr Bunchu closed the meeting.

That evening, Sia Leng met with Mr Bunchu and told him that the vote had been ambiguous. He told him that he would continue to help these five MPs regardless of which party they joined because they are his friends.

After the meeting, the CAP sent the resolution and the results of the meeting to the Ministry of Interior. On 18 August, the political party registrar again ruled that the result was invalid.

"I (advisor to the registrar) attended the meeting and can vouch for the fact that the number of votes cast did not reach three-fourths. Only 17 of the 24 people cast votes. I will inform the registrar and leader of the CAP of my conclusions," said Mr Yuwarat Kamonwet, the deputy director-general of the Department of Local Administration, in his capacity as the advisor to the political party registrar. Prior to this, it was revealed that the five MPs whom the party was trying to expel had sent a letter to the registrar stating that the vote that day was invalid because the votes had not been counted and fewer than 18 out of 24 votes had been cast. Besides this, Mr Lan Sawangsi and Mr Winai Khummakkhum, two committee members, sent letters to the registrar. Mr Lan stated that he had not voted, and Mr Winai said that he had not been at the meeting. Mr Winai also said that he was opposed to expelling these MPs.

But one statement made by Mr Yuwarat seems rather strange. He said that the "political party registrar is like a judge. He has to help those who are experiencing trouble."

The statement made by Mr Yuwarat dismayed the CAP. Because even though a majority in the party sent a letter reporting the results of the vote, the registrar refused to believe this. Instead, he believed the five MPs and the letters sent by these two people and overturned the resolution. Looking at this, if the registrar is similar to a

judge as stated by Mr Yuwarat, he is a very odd one in view of the fact that he listened to only one side in the dispute. Mr Bunchu said that several reporters were present and could confirm that Mr Lan Sawangsi had raised his hand.

"I will have to take action on this. To start with, I will contact the Ministry of Interior and the political party registrar. If this does not achieve results, I will take other action," said Mr Bunchu. He added that efforts to expel these five MPs will continue. In an interview, Mr Lan Sawangsi stated that the party should stop pursuing this matter. But he refused to say whether he had raised his hand in favor of expulsion that day.

### **Relationship Between the Five MPs and Sia Leng, Behind the Confusion of the Resolution**

At the time of the general election on 27 July 1986, Sia Leng, a well-known figure in the northeast, was a member of the CAP's executive committee. He was entrusted with the task of monitoring and supporting the campaigns of the party's candidates in the upper northeast and in certain areas in the north.

One reason why Sia Leng became involved in politics was because of his close relationship with Mr Bunchu, the party leader. Another reason was that he was involved in a wide variety of business activities in the northeast, including activities that people knew about and activities that they did not know about. He felt that Mr Bunchu would hold some important position and that he could rely on him.

It is said that Sia Leng is also a businessman who has a strong sense of obligation. He felt that he owed a debt of gratitude to Mr Bunchu for the financial support that Mr Bunchu had given him. He borrowed money during the time that Mr Bunchu was involved in banking activities. And so he did everything he could to help the CAP win the election.

Besides putting up the money for the election expenses of the candidates running in the upper northeast, Sia Leng also contributed money to the central fund. The exact amount isn't clear, but during that election campaign, approximately 10 million baht was drawn from the central fund. After the election was over and the five MPs (the ones the party is now trying to expel) had been elected, it was said that Sia Leng had spent approximately 20-30 million baht on the election.

"It wasn't that much. That is just talk. It was probably around 15 million baht, or approximately 3 million per person," said a news source in the CAP. He added that during the election campaign in Zone 1 in Khon Kaen Province, where Mr Suthat Sirattananaphan came in first, Mr Khlaeo Norapati participated, too. But a conflict arose between Mr Khlaeo and Mr Charoen, or Sia Leng, and so they did not coordinate things.

"Sia Leng had to have these five MPs withdraw their names because of business interests. He was being pressured by people in uniform. If he had refused, his various businesses would have been affected. He would have been in great trouble," said a news source in inner circles about the business activities of Sia Leng ambiguously when asked what type of business activities Sia Leng was engaged in and why he would have been harassed by people in uniform if he had refused.

Speedy action was taken to get these MPs to withdraw their names, and the action was successful. When preparations were made for a second attempt to expel these MPs, Mr Thanet Telan and Mr Prasat Tanprasoet clearly indicated that they might not vote in favor of expulsion for various reasons. And so they traveled to Hong Kong at the time of the meeting to expel the five MPs. In the end, an estimate was made of the number of people who would attend the meeting and who would vote for expulsion. But as it turned out, they miscalculated in the case of at least two committee members, Mr Lan and Mr Winai.

Mr Thraphan Phetsuwan, a former MP from Chumphon and a member of the party executive committee, said that before the day of the meeting, a woman had approached him at the Southern Bus Depot and offered him 200,000 baht to vote against expelling the five MPs. But he refused to take the money. This made him think about Mr Lan Sawangsi and Mr Winai Khummakkhum, two farm leaders. Their family financial situation in Suphanburi is not very good when compared with that of people like Mr Banhan Silapa-acha of the Thai Nation Party.

### **Future of the CAP, Sweet Dreams and Opportunities**

"Relations between Sia Leng and Bunchu are very strong," said a news source close to Mr Bunchu. As a reason, he mentioned the help that these two men have given to each other. But this time, Sia Leng has had to change course slightly in order to survive. Thus, there may now be some estrangement between these two men. Because Mr Bunchu has threatened that if someone says something wrong, action will be taken. Mr Bunchu still holds higher cards than Sia Leng. And Mr Bunchu has said that the party must be based on correct principles in order to gain the trust of the people.

The goal of the CAP, or at least of those who side with Mr Bunchu, is to build the party. They expect the party to grow and to see Mr Bunchu rise to an important position. Because there is already talk about him in the House. The only MP who is a well-known economist and who enjoys the confidence of foreigners is Mr Bunchu.

Besides Mr Bunchu, other important figures in the party include Mr Prasit Narongdet and Mr Athit Urairat. Another is Lt Gen Chan Angsuchot. Even though he has resigned from the executive committee, he still serves as an advisor to the party and frequently attends party meetings.

But what will the future of the CAP be? At least, how resolute the party is in taking action to expel the five MPs and the things that happen regarding this will undoubtedly be important factors in showing which is more important, principles or profits. And will the CAP continue to cut itself apart by expelling MPs and announcing the resignation of the executive committee in order to elect a new committee?

In view of the fact that the political party registrar ruled the results of the second attempt to expel the five MPs invalid, the CAP will have great difficulty holding a third meeting. Because today, there are only 17 committee members and MPs left who support expulsion—and this number may decline even more—while those whom they are trying to expel consist of five MPs (Mr Lan Sawangsi and Mr Winai Khummakkhum have resigned from the executive committee). And two other MPs, Mr Thanet and Mr Prasat, may not attend the meeting even though they once insisted that these men must be expelled. Thus, there are only 17 left who will vote for expulsion. Only if they can persuade these two MPs not to take a trip to Hong Kong the day of the meeting will they have 19 of the 25 votes.

Besides fighting the decision concerning the second vote and holding another meeting to expel these members, I think that the CAP has another option and that is to have the executive committee resign in order to show that it cannot deal with the party rebels and hold a new election. As for how the new executive committee would deal with this matter, that is another matter.

If the new committee decides to expel them and has sufficient votes, there would not be any problem. But if it fails, the CAP will probably become the butt of people's jokes. And if this is the case, the party's future will not be very bright.

#### Factions Within the Community Action Party

Bunchu Faction Executive Committee: Mr Bunchu Rotchanasathian; Mr Wasan Intharasut; Mr Charat Phua-chui; Mr Wasana Bunphuphantanti; Mr Rewat Sirinukun; Mr Dusit Sophitcha; Mr Seni Madakakun;

Bunchu Faction MPs: Mr Khlaeo Norapati; Mr Drong Singtothong; Mr Thawip Woradilok; Mr Suthep Wongkamhaeng; Mr Prasit Narongdet; Mr Surasak Chaowawisit; Mr Thiraphan Phetsuwan; Mr Pramuan Suwannawattana; Mr Chaiyawat Thiraphan; Mr Chitsilapa Intharanuang; Mrs Sira Patmakhom.

Faction Leaning Towards Sia Leng - Executive Committee: Mr Thanet Telan; Mr Prasat Tanprasaoet.

Sia Leng Faction Executive Committee: Mr Suthat Siratanaphan; Mr Khachonsak Sisawat; Mr Wiang Worachet; Mr Arom Phumphiriyaphrun; Miss Unruan Ari-ua.

Sia Leng Faction MPs: Mr Winai Khummakkhum; Mr Lan Sawangsi. 11943

#### Secretary Reports Queen's Illness, Convalescence

42070009c Bangkok MATICHON in Thai  
12 Aug 87 p 2

[Unattributed report: "The Queen Has Recovered from Her Illness But Must Rest for a Period, Which Is Normal"]

[Text] On the occasion of the queen's birthday, the Pathumwan Rotary Club invited Manatnit Wonikakun, the general executive secretary to the queen, to speak on the topic "The Queen, the Mother of the Thai People." This took place at 1300 hours on 11 August at the Erawan Hotel. On this occasion, the secretary to the queen said that the queen has been sick recently and so has not been able to go anywhere. But she has not been idle. She has regularly monitored the work of the special vocational arts center and has occasionally sent for items in order to look at them herself. And she ordered that excellent pieces be given awards.

She also said that when the queen accompanied the king to remote areas, she saw the difficulties of the people who had to contend with natural disasters. Thus, she got the idea of establishing a special vocational arts center. This was established in 1976 in order to supplement the incomes of the people.

The secretary to the queen also said that several years ago when the queen visited people in the south, a person suffering from leprosy asked to touch the queen's hand. Everyone was dismayed and didn't know what to do. Because as everyone knows, leprosy is a contagious disease. But the queen extended her hand to this person. After returning to the palace, the queen told everyone, "That person asked to touch my hand. How could I refuse?" That act showed that she is ready to make sacrifices for the happiness of the people.

Toward the end, a reporter asked how the queen is feeling now. The secretary to the queen said that she has recovered but that she must rest for a period. It shouldn't be too long before she returns to her duties as normal.

The secretary to the queen also said that it has cheered the queen to know that the people are concerned about her. Both Princess Sirinthon and Princess Chulaphon have visited her regularly. Many people have written to ask about her. Some have even given her formulas for traditional remedies. Her Majesty's Personal Affairs Division delivers these letters to her, and she reads all of them herself.

11943

**Low Incomes of Chiang Mai Hill Tribes Reported**  
*42070005b Bangkok SIAM RAT in Thai 31 Aug 87 p 2*

[Unattributed report: "Chiang Mai Conducts Hill Tribe Agricultural Census"]

[Text] In the Lan Thong auditorium at the Coordinating Office of the Hill Tribe Development and Welfare Center, Chiang Mai Province, Mr Phot Phatiphanthuwong, the head of the Hill Tribe Development and Welfare Center, Chiang Mai Province, disclosed the results of the 1986 hill tribe agricultural and income census.

The Hill Tribe Development and Welfare Center, Chiang Mai Province, ordered its 52 hill tribe development and welfare units, which are assigned to hill tribe villages in various districts throughout the province, to begin conducting the 1986 hill tribe agricultural and income census in January 1987.

The incomes of the hill tribes were as follows:

1. Yao: Average household income of 62,492 baht and per capita income of 10,359 baht per year.
2. Ikaw: Average household income of 12,922 baht and per capita income of 2,490 baht per year.
3. Meo: Average household income of 12,442 baht and per capita income of 2,431 baht per year.
4. Liso: Average household income of 9,012 baht and per capita income of 1,946 baht per year.

5. Muser: Average household income of 9,076 baht and per capita income of 1,889 baht per year.

6. Karen: Average household income of 8,834 baht and per capita income of 1,653 baht per year.

It can be seen that the Yao tribe had the highest average household and per capita income per year and that the Karen tribe has the lowest. When asked about the reason for this great difference, Mr Phot Phatiphanthuwong, the head of the Hill Tribe Development and Welfare Center, said that the differences in incomes can be explained by the hill tribes' acceptance of the state's development activities. Vocational extension officials of the Hill Tribe Development and Welfare Center have used technology to promote vocations, including substitute crop and hill tribe handicrafts programs. The Yao have accepted long-term economic crops that yield a high income. Such crops include lichees and coffee. The handicraft industries include making silverware and doing embroidery work. Thus, they earn high incomes. As for the Karen, the economic crops have not been very successful. Their handicrafts have earned them very little money, because their embroidery work is not as good as that of other tribes. An important point is that the Karen are the largest tribe in Chiang Mai Province. The amount of land available with respect to the number of tribesmen living in the area affects the incomes of the tribesmen.

However, a good sign to the other tribes is that if they accept the development activities of government officials, their lives will probably improve. For example, their yearly per capita incomes will probably increase just as has happened in the case of the Yao, said Mr Phot in conclusion.

11943



## POLITICAL

### Editorial Discusses Responsibilities of Journalists

42090566a Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 21 Jun 87 p 1

[Editorial]

[Excerpts] The political report at the Sixth Party Congress clearly stated: "The press is the voice of the party and at the same time reflects the voice of the masses." In view of this, the masses regard Vietnam Press Day (21 June) as a conference day which cannot do without their presence.

Before the Sixth Party Congress, the press made some starts toward improvement. After the Sixth Party Congress, the press continued renovations and, initially, some commendable action took place. The reader masses began to identify the agencies of mass information that had started true changes and were gradually becoming instruments of social control.

Before the Sixth Party Congress, the Ho Chi Minh Party Committee promoted the drive, "Criticism and Self Criticism: the People Believing the Party; the Party Believing the People" and the press partially evidenced its responsibility as the communique of the Standing Committee of the Municipal Party Committee expressed: "the city newspapers and broadcasts have contributed to stirring up an atmosphere of democratic political action and have striven to renovate methods in order to fulfill their role as the voice of the party and at the same time the voice of the people." After the Sixth Party Congress, the municipal committee advocated: "Continue open criticism and self-criticism as a regular feature in the paper, for that is a form of democratic action very necessary for progress. Through the press firm social opinion is generated, positive new factors are demonstrated and developed, and negative activities are stopped and repulsed." Nevertheless, it must also be honestly admitted that the recent positive motion of municipal newspapers and broadcasts has not been even. Some newspapers and broadcasts have changed too slowly, with a number of them even floundering with no fixed direction.

Over the recent past, the press has accomplished some useful things in that the party and the reading masses have used, developed, supported, and advised press renovations in the spirit of the Sixth Party Congress. For the immediate and long-term future, the party needs to use the press better, develop its role and function more extensively, emphasize assignment of responsibilities to the press, remove obstacles confronting the press from within the very leadership of the party and the government, and include with the responsibility of the press the means to carry out that responsibility. These are the

important prerequisites for the press to make significant contributions under its two simultaneous forms of existence—as an instrument of the party and a means of people's mastery.

Of course, if the people trust the press and assign it responsibilities, but journalists do not choose to renovate, do not accept their role, and do not show initiative, aggressiveness, and flexibility, daring to think and do, it will be hard to completely meet their responsibilities. The press can therefore not forget that their role is to positively renovate themselves in order to make practical contributions in the process of renovating the state. To welcome positive new factors, drive out negative phenomena, and counter inertia and every instance of "formidable silence," the press must counter inertia and counter manifestations of longings, including formidable elements among themselves.

The press is continuing to move along the road of renovation. Vietnam Press Day is an opportunity to further promote the strong, correct steps, which should not slow down, of the state.

9830

### Press Renovations Topic for Vietnam Press Day Conference

42090566b Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 21 Jun 87 pp 1, 2

[Report by Hai Nam: "Renovation of Press; Burning Issues"]

[Text] On 20 June 1987, about 500 journalists of the city met in celebration of Vietnam Press Day, 21 June. The Municipal Press Association wanted to hold a conference day that would become an exchange among newspaper personnel and an intimate, open, and honest dialogue between party and government leadership comrades and the press. Vo Tran Chi, secretary of the Municipal Party Committee, Duong Dinh Thao, member of the Standing Committee and head of the Propaganda and Training Committee of the Municipal Party Committee, Do Duy Lien, deputy chairman of the Municipal People's Committee, and many other leadership comrades of committees, sectors, and local bodies met with the press.

### Looking Back a Year; Looking Forward

Thanh Nho, secretary of the Municipal Press Association, started out conference day with a short speech reviewing ideas discussed at press association chapters of the city, which looked back over the period of change that has been taking place for over a year. He stated clearly that the struggle in the press sector to escape from the chains of the system of bureaucratic centralism and state subsidies developed with truly fierce intensity, and

with many convolutions. There is a need for a period of high resolve to make renovations, and renovations must be made uniformly, in party and state agencies and in the press itself.

Over a year ago, though it was only the start of the movement and accomplishments were still limited, progress made was significant in that it cleared and opened the way and made a turning point in the city's press war. The press had strongly attacked social shortcomings, clearly improved two-way communications, increased the volume of helpful information, and brought the press closer to the masses. The press had begun to serve a social control function and a discovery function.

Thanh Nho also touched directly on faults of the press, such as avoiding shortcomings and then talking about externals without talking about the causes, not carefully selecting truly representative events and expressions that have a high degree of effectiveness, and not giving the whole story from beginning to end; articles sometimes lacked accuracy. Although the press reflected the voice of the masses better than before, it was not yet closely matched with needs, not yet rich and varied, and did not yet pay attention to many burning issues of the masses. Improvements in discovering the new and popularizing positive aspects had not received express attention. From the accomplishments, and even the shortcomings, press people of the city recently decided on a direction for the city press that correctly adheres to the spirit of the resolution of the Sixth Party Congress, continuing to strengthen and raise the quality of renovation. But it takes more than press people alone to renovate the press. They require the cooperative uniform renovation of leadership levels of the party, government, committees, sectors, and mass organizations. No small number of persons with responsibilities and authority on the local and grass-roots levels still fail to cooperate with and help the press; at some times and places, they seek ways to limit the activities of the press, do not inform the press, and in instances even harass those who supply information to the press. In addition, the press system and policies for press personnel contain unreasonable matters that must be resolved.

Thanh Nho also reviewed the suggestion of the press to the municipal party committee and people's committee that during the interval of waiting for a Vietnam Press Law the municipal committee and municipal people's committee soon publish an instruction or regulation with directive authority so that the press and sector and local entities in the city have a basis for correct and unified action. The role and position of mass media must be determined for the new period to come. It was suggested that the party and government in the city take the initiative to create favorable conditions and provide new organization for completely utilizing the capabilities and effectiveness of the press as a tool. It was suggested that the implementation of openness in the press and the press function of social control be resolved and clearly

announced so that the press and all levels and sectors cooperate in carrying them out. Finally, there was a proposal for changing programs and policies on salaries, writer commissions, and business expenses for journalists.

### Burning Issues

On Vietnam Press Day last year, in the same conference hall, journalists also conducted a deep analysis of the ills of bureaucratic administration in the press and raised demands for changes in the press. This year, all opinions went deeply into the substance of renovating the press, there being no few problems after a year of implementation.

Tran Dinh Nam, of *Khoa Hoc Pho Thong* Newspaper, Huynh Son Phuoc, of TUOI TRE, and Father Vuong Dinh Bich, of *Cong Giao Va Dan Toc*, directed attention to the need for a press law and establishing a progressive, democratic policy on news. In practice, there are still some cadres at this level and that who limit news for the press, even attack press correspondents on the basic level. Municipal Party Committee Secretary Vo Tran Chi agreed with the suggestion for establishing a coordinated press law during the next period. The secretary stated that during the waiting interval the municipal party committee will have a comprehensive resolution on press work. On the basis of that resolution, the municipal people's committee will publish a provisional regulation on policies toward the press.

Vu Quang Hung, of *Cong An Thanh Pho* Newspaper, Tham Tuyen, of *Dai Tieng Noi Nhan Dan Thanh Pho*, and a number of other journalists referred to the "formidable silence" of cadres in charge of many agencies and units not only toward openly critical articles in newspapers, but even toward complaints and accusations from readers transferred to them by press agencies. Resolute efforts must be made to break this "formidable silence." An opinion expressed by many, including Comrade Nguyen Trong Xuat, deputy secretary of the Ward 1 Party Committee, was that the press must continue to criticize agencies of bureaucratic centralism and state subsidies that are slowing the advancement of society and hindering implementation of the resolution of the Sixth Party Congress and the Second Resolution of the Central Executive Committee.

Through topics discussed at the conference, the journalists also clearly realized that the farther they go along the road of renovation the more journalists are required to heighten their political ability and professional standards, vigorously cultivating the quality and virtue of the socialist journalist.

Talking with journalists, Comrade Vo Tran Chi mentioned and applauded new changes of the press over the past year that contributed positively to the city's struggle to advance through renovation. The press has put many suggestions of the masses in the papers and has paid

attention to opinions of society, taking the first steps in correctly fulfilling its mass information role. He also mentioned that the fierce struggle between the old and new is still evolving in many aspects, demanding that journalists clearly affirm the function and responsibility not to cease their striving to increase their political ability and standards in every respect in order to be more worthy of being the instrument of the party and a platform for management by the masses. He also reminded the party and government at all levels that they should represent the press as an instrument of the party and the proletarian dictatorship state and that they should trust in, care for, and create conditions favorable to activities of the press. It was a demand for uniform renovation of the press from two sides—on the part of the press itself and on that of government and party committee echelons.

At this well-attended conference, Thanh Nho, representing the executive committee of the Municipal Press Association, also launched a drive to continue to renovate the press to take place from now until 21 June 1988, with the action slogan "Continue to renovate the press in the spirit of the resolution of the Sixth Party Congress, taking the people as the source." That slogan appeared on the stage of the cultural hall of Ward I during the conference. The five major topics of the drive are resolutely countering shortcomings, aggressively discovering new factors, expanding the mass character of the press, ensuring accuracy, and coordinating activities well among press organs, avoiding a situation in which everyone plays his own tune.

A conference day with much significance. But the road to renovation of the press is still long, requiring tireless effort.

9830

## ECONOMIC

### Guidelines for Selection of Workers Going to Moscow Issued

42090008b Hanoi HANOI MOI in Vietnamese  
12 Aug 87 p 3

[Notice No 178/HTLD of the Municipal Labor Service]

[Text] Criteria

A. Political background: Vietnamese citizens having good identification; along with families having properly carried out party positions and policies, state laws, and labor discipline in production installations; having good personality and morality; having not avoided military duty, nor committed any acts of bribery, speculation, illegal collusion, and unlawful business.

B. Age limits:

Laborers in society, between 18 and 27 years of age.

Workers, civil servants, and members of small industry and handicrafts cooperatives having good skills, 18-35 years.

Unit chiefs, not older than 40.

Translators, not older than 35.

#### C. Health:

Applicants must satisfy the health criteria set for people working abroad in medical examination provided by the hospitals designated by the Public Health Service, such as Hai Ba Trung, Dong Da, Saint Paul, Son Tay, and Vietnam-Cuba Hospitals.

People having chronic and infectious diseases, such as tuberculosis, syphilis, heart and lung conditions, disabilities, and pregnant women cannot be selected. Required are health certificates, with results of blood tests, X-rays, tests for tuberculosis and syphilis, analyses of stool and urine specimens attached, and with satisfactory results of reviews provided by the Soviet public health group.

#### D. Cultural background:

On the basis of Official Document No 1647/LD-HTQT dated 19 December 1986 and containing additional guidelines of the Ministry of Labor for selecting laborers and cadres to do cooperative work abroad in 1987, and the opinion of the International Cooperation Department which has been sought, the cultural background requirements are as follows:

1. For people being in such occupations as tailoring, construction, and food processing, they must have graduated from specialized general schools or schools of higher level.

2. For people being in such auto repair occupations as fitters, assemblers, operators of welding machines, grinders, punch presses, polishers, power planes, lathes, and milling machines, electrical system mechanics, and operators of automatic machines, if they are state workers and civil servants having such skills, they are required to have graduated from specialized general schools or schools of higher level; if they are laborers in society, they must have graduated from general middle schools at least.

#### E. Occupations:

Eligible applicants for filling the strictly defined occupations must have gone through regular training schools and courses and on-the-job training, have done the same job for 12 months or more, and have certificates from principals of the training schools they have attended or directors of the enterprises that directly manage their units.

Management cadres and technical cadres being selected as unit chiefs must know the language in order to deal with other people while doing their jobs, with the Ministry of Labor International Cooperation Department checking their language skill to see if it satisfies the requirement.

As for translators, they must know the language very well.

The selection of people going to other countries to work, particularly the selection of 1,000 laborers to fulfill the labor cooperation task in Moscow, must be very tightly organized with leadership provided at levels ranging from principal managing sector, ward, district, and city to basic-level unit, and with these echelons strictly following guidelines issued by the Standing Committee of the Municipal People's Council. It is proposed that all echelons and sectors, mostly basic-level units, strengthen their control and supervision and correct, overcome, and deal with any shortcomings and deviations in the process of examining and selecting applicants, for the purpose of ensuring the right selection of the most qualified people, with full implementation of the right policies and criteria, and meeting the deadline set for this selection.

5598

#### **Exports of Shoe Uppers to Soviet Union Increase**

*42090009b Hanoi HANOI MOI in Vietnamese  
4 Aug 87 pp 1, 4*

[Text] These days 800 cadres and workers of the Leather Shoe Export Enterprise are entering a new period of emulation aimed at scoring achievements to welcome the 70th anniversary of the Russian October Revolution. On 25 July there was a meeting here to review the implementation of the 1986-1987 contracts between Vietnam and the Soviet Union and to consider paying for the making of shoe uppers in Vietnam. Attending the meeting were the director general of Spartak Kazan Shoes Enterprise, its technicians, the director general of the Union of Leather and Shoe Enterprises, and the acting director and deputy director of the Leather Shoe Export Enterprise.

The enterprise is currently making shoe uppers on contract for a number of friendly countries, mainly the Soviet Union. The work has actually begun to expand since last year. In the starting period there were many difficulties. Deliveries of raw materials, which were not uniform, usually were late; equipment and machinery were inadequate; workers were immature in terms of skills because they had been trained only recently, hence lower productivity and poorer quality than expected. After houses were built and new equipment were installed, cadres and workers have begun to gradually put their work in order, to develop their capabilities, and to make every effort to fulfill the assigned plan. So far they have partially satisfied the production requirements based on the new needs, such as the conditions set for

work areas, shops, storehouses, and so on. The Spartak Shoe Enterprise will send over additional samples of shoes made of synthetic suede and supply materials for us to make such shoes on a trial basis. Especially there will be such pieces of machinery as leather and canvas cutters, ornamental perforations-making machines, lining sewing machines, grommet-installing machines, sewing machines equipped with edge cutters, numbers-stamping machines, zigzag sewing machines, and so on. In addition, in order to improve working conditions the enterprise will also supply air conditioners, refrigerators, television sets, fans, and so on. Technical documents on industrial organization and production, technical standards, and reference materials will be made available on a regular basis. For the training of technical workers it will send over some special-use machines for trainees to get used to. More particularly the shipping of raw materials from the Soviet Union to our enterprise will be a top-priority matter: Raw materials will be uniform and will be shipped at the time required, with quantities and quality being ensured as specified in contracts.

This is truly a wholehearted and devoted assistance. Now the enterprise must show new changes ranging from strict management to more effective operations. Its plans for export to the Soviet Union call for annual increases and demand good quality. In 1986-1987 it made 500,000 pairs of uppers in accordance with many samples. All raw materials were supplied by the Soviet Union. In 1988, as the two sides have agreed, production will be increased to 750,000 pairs. And in the years that will follow, it will be 1 million pairs and more.

The current technical capacity of the enterprise shows it can handle this increasing productivity. It presently has 50 high-level skilled workers and 100 workers who have been trained abroad; in addition, the new recruits have all graduated from general middle schools and will be trained to become regular workers. All aspects of the work get careful guidance provided by technicians, technical documents, and standardized samples. To maintain quality the quality-control task is being performed in a very thorough manner. All products that leave the shops must go through four levels of control—team, shop, factory, and technician. Everyday Soviet technicians come to work in the enterprise.

Production in the enterprise on these days of commemorating the Russian October Revolution has been showing new progress. It has gone from one to two shifts. Daily productivity has increased from 1,000 to 1,500 pairs of uppers of good quality, and by the end of the year it will be even higher as expected.

5598

#### **Thai Binh Expands Export of Farm Commodities**

*42090003a Hanoi QUAN DOI NHAN DAN  
in Vietnamese 28 Jul 87 p 3*

[Article by Le Lien: "Production of Farm Commodities, Foods for Export in Thai Binh Province"]

[Text] Thai Binh is an agricultural province having little cultivated land, a large population, and abundant manpower, as well as many years of experience in intensive cultivation aimed at boosting crop yields. On the basis of its strengths, the locality has set an important direction for its export program, namely, to export farm commodities, foods, and winter crop products. After it took this direction for three consecutive crop seasons and learned from its experience every year, Thai Binh has affirmed, as the results it obtained got better and better, that it has chosen the right direction.

### Contradictions and Lessons Since 1986

In 1986, Thai Binh exported 1,350 tons of potato, 470 tons of carrot, 862 tons of cabbage, 23 tons of soybean, and 1,100 tons of jute fiber at a total value of 40.572 billion dong, or 101 percent of the goal set in its plan. Although those quantities were impressive, they did not bring any peace of mind to its leaders, production units, and units in charge of purchasing farm commodities for export.

As it dealt with various kinds of goods, it encountered contradictions. As to jute fiber assigned to the corporation in charge of export of farm commodities and foods, Thai Binh had to purchase 1,100 tons of it in the form of an assigned task. Its corporation purchased and then transported it to Haiphong, where the merchandise for export was given to the Union of Export Corporations at the port warehouse. In this activity Thai Binh simply transported the merchandise, rather than exported it, directly or on board. Here a contradiction arose: the export goods taking a crooked and duplicative path.

After having done business in dried hot pepper for many years, the province realized it is a product of high economic value with a stable market. The best year was 1983, when Quynh Phu District alone exported 600 tons of it, but it then dropped to 232 tons in 1985 and only 193.8 tons in 1986. The continuous decline in the quantities of exported dried hot pepper was the result of inappropriate investment policies and prices, a lack of concern among leaders, and uneasy feelings and a lack of enthusiasm among producers in regard to cultivating, harvesting, and selling hot pepper.

With such winter products as potato, cabbage, and carrot, 1986 was the second year in which Thai Binh took part in exporting. Green vegetables surpassed the plan goal by 11 percent. Potatoes delivered FOB reached 30 percent of the quantities set in contracts. In 1986 the nation as a whole had a bad harvest of potato. Although Thai Binh did not attain the export goal, it was the leading province in terms of both quantity and quality of exported potato, which affirmed the wisdom of growing vegetables and subsidiary food crops in winter for export. It was then that Thai Binh was recognized by the central administration as a key area producing potatoes for export and taking part in the long-term program of cooperation with the Soviet Union to deal in produce.

What we must seriously think about is to resolve in an appropriate manner the relationship between the interests of the state and those of collectives and working people and to effectively overcome the dependence on the climate and weather.

Thai Binh has drawn conclusions from the production and purchase of farm commodities and winter crops for export in 1986: It did not estimate closely enough and accurately its producing power and the crop yields; it did not pay attention to substance while remaining too subjective and relying on large-scale construction reports and plans and poor performance; it remained too unsophisticated in terms of providing leadership over production and failing to see the harshness of the weather, nor to act quickly enough after the appearance of harmful insects. As to growing and caring for crops, it continued to sign "blank-check" contracts with producers, did not pay enough attention to seeds and capital, did not invest in a bold manner, failed to carry out production zoning, nor to maintain good leadership over production and to divide work and responsibilities in a clear manner, and did not organize purchases on a timely basis, which led to delays.

### Active Investment, Production in 1987

Thai Binh started this year's export program by producing and purchasing winter food products, with potatoes being the major one. From the very beginning, it clearly gave the tasks of organizing production to the agricultural sector and investing in production and organizing purchases of products to the export sector. It carried out planning for thousands of hectares of vegetables and 6,050 hectares of potato. For potatoes alone, it put aside 1,500 tons of urea-nitrate fertilizer to sell at "encouragement" prices to producers. It has adopted the policy of gradually replacing the old potato variety, which has showed waning qualities, with the German variety. Its corporations in charge of crop varieties and export of farm commodities and foods have supplied the cooperatives with nearly 200 tons of that potato variety. This year there are new aspects in its investing method: partially investing in new varieties and combining them with those currently used by cooperatives; investing in technical cadres and in using the right kinds of fertilizers, in the right quantities, and at the right time; and preventing and controlling harmful insects in time. Control of plant diseases must be carried out in a regular and intensive manner in order to ensure good quality of crops and commodities. The Central Disease Control Department and its control and inspection office in Haiphong have been sending people to districts where, along with the plant protection office of the department and the Farm Products Corporation of Thai Binh, they supervise the prevention and control of harmful insects and provide guidance aimed at maintaining quality standards right from the beginning of the crop growth period.

A matter that draws Thai Binh's special attention and is considered one of the decisive measures is to appropriately resolve the interests of producers. Thai Binh has set the purchase price of a kilogram of potatoes at 22 dong payable both in cash and with convertible materials. Compared to the price of paddy at the time it was set a kilogram of potatoes is equivalent to .7 kilogram of paddy.

By using its combined strength and the efforts of all sectors, echelons, and working people under the conditions of the aftermath of the recent fierce Typhoon No 5 and the unusually warm winter weather, Thai Binh had a rather good winter crop. Its export sector was able to purchase 922 tons of vegetables, of which 770 tons were loaded aboard Soviet ships. Many villages obtained high potato crop yields: Thoi Ha Village (Thai Thuy District) obtained 19 tons/hectare; Tan Hoa (Vu Thu), Quynh Trung (Quynh Phu), and Vu Lac (Kien Xuong) Villages had an average yield of 16 tons/hectare. The province as a whole was able to purchase 4,193 tons of potatoes, of which 4,065 tons were shipped abroad, or one-fourth of the total national potato export set for this year.

The winter production of vegetables and foods for export, particularly potatoes, has brought a considerable income to Thai Binh and, first of all, benefits to its working people. In the latest crop season Thai Binh obtained an average yield of 4 tons of paddy per hectare. In the same season the potato yield was 10 tons/hectare. At prevailing prices then, the rice crop yielded 120,000 dong per hectare while the potato crop, 108,000 dong, the latter taking both domestic consumption and export into consideration. If we consider the fact that potatoes are grown only as a companion crop between two main ones, the income coming from it is far from small. Thai Binh has made some careful calculations and found that to export 1,000 tons of potatoes would create some 250,000 man-days in agriculture, 5,000 man-days in purchasing and packing, and 1 million dong worth of large bags. These jobs and income will be a good addition in this period of idleness in agriculture and shortage of jobs. This was a motivation that urged the Thai Binh farmers to overcome many difficulties and to grow a winter crop with satisfactory results. This is also a good experience in choosing a direction for producing export goods which other localities need to study and apply.

The season of producing and harvesting farm commodities and foods for export still continues in Thai Binh Province. This year the province has set the goals of purchasing for export 12,000 tons of jute fiber, 5,000 tons of unshelled peanuts, 500 tons of dried hot pepper, 6,000 tons of potatoes and produce, 2,000 tons of pork, and so on. The complex weather and climate, along with the old management mechanism, are creating difficulties for the efforts to fulfill these goals. However, Thai Binh has recognized in time such difficulties and has organized learning from experiences, both good and not so good, right after the third winter season of making goods for export came to an end.

Thai Binh's export goods program covering the 1987-1990 period and extending to 1995 proposes the goal of boosting its export income from 25 to 35 million rubles-dollars. Of the export goods, farm commodities and foods are to account for the largest part. In order to fulfill the export program goals the province is carrying out two basic measures—to strengthen investment in the material and technical base and to concentrate on building a rational mechanism and policies serving as levers to encourage everybody and every economic organization to produce goods for export—aimed at successfully carrying out the nation's export goods program which the Sixth Party Congress has decided to adopt.

5598

#### **Enterprise Changes Mode of Exporting Lacquerware**

42090008a Hanoi TIEU CONG NGHIEP THU CONG  
NGHIEP in Vietnamese 19 Jun 87 p 5

[Text] As of the end of April, Saigon Lacquer Articles Enterprise (subordinate to the Union of Small Industry-Handicrafts Enterprises in the municipality) has signed sales contracts for 1987 that amount to a total foreign-currency value of 2.2 million of rubles-dollars, or twice the amount obtained in 1986.

The enterprise has boldly renovated the exporting mode by switching from the form of exporting based on protocols to exporting goods directly to its foreign customers. By using the organizations of patriotic overseas Vietnamese as agents to promote sales of its products, it has been able to know market needs and customer taste, and put into production more than 100 new lines of products. The store that represents it in France alone has ordered a quantity of lacquerware valued at 900,000 dollars. In order to keep up with the schedules for delivery of major orders and to ensure satisfying the requirement for artistic qualities, the enterprise has boldly invested capital and, along with the Municipal Science-Technology Committee, has been studying a plan for mechanizing such jobs as grinding and laying lacquer on foundation, grinding and laying lacquer as secondary coats, polishing, and making the basic lacquer mix with linen fibers and Phu Tho lacquer. It has also made plans for and given work to 60 satellite installations to do along with 5 of its own shops, with 3 other shops being solely assigned to fill special orders demanding greater skills and yielding more foreign currencies. Four installations—Hoang Anh, Truong My, Thanh Thao, and the central shop—have been able to select five new samples among the major articles and to send them away as entries in the 1987 Small Industry-Handicrafts Exhibit.

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**First-Half Exports Show No Change From 1986**

42090009c Hanoi NGOAI THUONG in Vietnamese  
5 Aug 87 pp 1, 8

[Text] As we have learned from experience, if in the first 6 months we already fulfill 40 percent of the export plan set for an entire year, we will certainly succeed and find less hard work and pressure in the last 6 months. In the first 6 months of this year, however, we failed to reach that level as we fulfilled only 37.7 percent of the export plan, a slight increase (3 million rubles) compared to the same period in 1986. If we consider our country's complex and difficult economic situation today, the fact that we have reached that percentage shows a great effort on the part of the sectors, echelons, and units doing import-export work.

However, if we have an in-depth analysis of the situation surrounding this overall figure (37.7 percent), we will find many complicated matters. The export income of the central import-export organizations accounted for only 53 percent and showed a decrease of nearly 10 percent compared to the same period in 1986. Of the 8 ministries and general departments having earned a relatively large income from export only 3 ministries scored relatively remarkable achievements: The Ministry of Marine Products fulfilled 54 percent of the plan for the entire year, an increase of 38 percent over the same period last year; the Ministry of Forestry, 40 percent; and the Ministry of Foreign Trade, 33 percent of the plan for this year, a slight increase over last year. The remaining five—the Ministries of Agriculture and Food Industry, Light Industry, Energy, and Public Health and the General Rubber Department—fulfilled only 22-32 percent of the plan for this year and showed decreases compared to the same period in 1986. It was the low percentages attained by the central import-export organizations that led to another low percentage: Delivery of goods to the socialist market reached only 27 percent of the overall goal set in the protocols we have signed with the fraternal socialist countries. Such deliveries ranged from the highest, 31 percent, to the lowest, 7 percent, of the targets set in these protocols.

In the meantime, the export value as obtained by different localities (not counting the products delivered to the central administration) reached 47 percent of the plan for this year, an increase of 15.5 percent compared to the same period in 1986. Ho Chi Minh City obtained 45 million dollars; Vung Tau-Con Dao Special Zone, 7 million; Hau Giang Province, 6 million; Hanoi and Quang Nam-Da Nang Province, 4 million; Haiphong and Kien Giang and Cuu Long Provinces, 2 million, and so on. As to the goods delivered to the central administration by different localities, they reached only 17 percent of the goal set in the state plan, a very low figure compared to the capabilities and requirements of their task. The signing of contracts between localities and central general corporations about the commodities having high foreign-currency value, very low levels of achievement were attained: Only 52 percent of contracts

were signed for coffee; 19 percent for peanut; 26 percent for soybean; 45 percent for black pepper; and 52 percent for cinnamon, compared to the goals set in the state plan.

The above-mentioned figures indicate that things have not changed compared to 1986 and what was preliminarily reported for the first 3 months of this year. Although the Sixth Party Congress affirmed that export is one of the three great programs which the party and people as a whole must concentrate their efforts on carrying out, the state has not yet issued any positive and synchronized mechanism and policies to satisfy the new needs, hence, a lot of confusion is encountered as it extends leadership over the execution of such program. The fact that the mechanism for planning, supplying of materials, financial and monetary matters, and so on was not yet renovated explains why production and business units have not yet developed their independence, nor have they switched to socialist business accounting. Although the volume of production this year of some export industrial crops like coffee, black pepper, peanut, soybean, jute, and so on is quite good, the business units cannot sign purchase contracts because they do not have at their disposal enough cash and convertible goods and because the fixed prices are not compatible with prices on the market, which slide too quickly. The supply of materials, secondary products, and electricity to the industries that make export goods on contract is not guaranteed. The fact that on-contract prices to be paid to industrial and small industrial producers and handicraftsmen are still calculated on the basis of very outdated rate of exchange (18 dong/ruble-dollar), hence very low, does not encourage people to make goods directly for export.

A fact that really is an obstacle for the localities that deliver goods to the central administration in accordance with the state plan for export to the socialist market is the great losses exporting incurs, which the local budget is unable to compensate for while it still faces large debts in terms of lacking the materials to pay the people with. Some localities have calculated that delivering 1,000 tons of shelled peanuts in accordance with the obligation set by the state plan would incur a loss of more than 200 million dong. The reason for this is the fact that the price mechanism, price rate, and the system of using imports to compensate for exports have not yet been renovated, rather than the nature of the market.

The resolution of the Second Plenum of the CPV Central Committee, which recommends a policy requiring that exporting to the socialist market must be as profitable as or more profitable than exporting to other markets, must have positive mechanism and policies for its successful implementation. Bureaucratic centralism in connection with distribution of materials has led to a failure on the part of the central administration's import-export units to get hold of the sources of goods.

Although the Ministry of Foreign Trade has made much progress in management and supervision aimed at resolving the above-mentioned situation, its efforts still

remain patchy and passive, while it waits for the state to adopt an overall mechanism for using the economic levers. For instance, it has been waiting for price mechanism, price rates, import-export tax, or policies setting guidelines for balanced distribution of foreign currencies between the central administration and localities, and so on.

Those are the main reasons that have originated from surmountable subjective factors. Naturally, there also are objective reasons that have arisen from an economy that is plagued with shortages and is far from stable and balanced and from last year's unfavorable weather, which adversely affected both production and social life.

For the need to step up export, our party, state, Ministry of Foreign Trade, and organs in charge of overall management, as well as all sectors and echelons, are urgently required to have positive export programs and to adopt early export policies and an import-export management mechanism that conforms to the need to do away with bureaucratic centralism and state subsidies; to switch import-export production and business units to socialist business accounting; and to reorganize the foreign-trade system to make it more suitable for domestic production needs, international markets, and the principle of the state holding monopoly of foreign trade. The basic question here is to be able to renovate planning in foreign trade and to solve problems having to do with materials and prices of import-export goods.

Although the central and local import-export business units are encountering countless difficulties and obstacles, they have affirmed their strong determination to do their very best to overcome difficulties and to support each other in order to fulfill at any cost the task that remains in the last half of this year—to surpass the export goal of 850 million rubles-dollars set by the National Assembly. More particularly, all sectors and localities have shown a high degree of unanimity in striving to deliver fully and totally the goods that the Soviet Union is scheduled to receive in October so as to show combat solidarity and unshakable fraternal friendship between Vietnam and the Soviet Union and to realistically celebrate the 70th anniversary of the great Russian October Socialist Revolution.

In spite of difficulties, there have been great gains in the exporting work. With the strong unanimity of our party and people in regard to achieving renovation in the spirit of the resolutions of the Party Congress and CPV Central Committee, with the existing experiences and traditions of all units in the sector striving to overcome difficulties, we strongly believe that the import-export plan this year will be fulfilled in a fine manner.

### Hanoi Labor Protection Regulations

42090560 Hanoi HANOI MOI in Vietnamese  
18, 22, 23 Jul 87

[Article: "Provisional Regulations on Small Industry and Handicrafts Labor Protection in Hanoi (Enacted In Conjunction With the Hanoi Municipal People's Committee's Decision No 2820, 1 July 1987)"]

[Text] [18 Jul 87 p 3]

#### I. General Principles

A. Labor protection in small industry and handicrafts production installations (cooperatives, cooperation teams, individual households, etc.) consists of applying measures to ensure safety and hygiene, ease labor tension, and correctly implement stipulations and regulations aimed toward preventing labor accidents and protecting the health of the laborer, and creating conditions to continuously boost labor productivity.

B. The application of measures on safety and labor hygiene is not only aimed at preventing labor accidents and protecting the health of the laborer but also has an impact on preventing accidents to and protecting the health of surrounding people.

C. Ensuring stipulations on safety and labor hygiene must be stringently implemented from the very beginning, such as:

1. When applying for issuance of the registration for business production, there must be an explanation of the measures on safety techniques and labor hygiene to be applied during the course of organizing production.

2. Ward, district, city, and village people's committees, when reviewing issuance of business production registrations, must demand the aforementioned explanation, and must issue business production registrations only to those installations which have adequate conditions for ensuring labor safety and hygiene in and around the production area.

D. Small industry and handicrafts installations may only implement production when they have guaranteed safety techniques for each craft and type of machinery and equipment they use. There must be labor safety details for each craft and each type of machinery and equipment.

When machinery and equipment are changed there must at the same time be a change in the technical regulations and labor safety details for consistency.



E. Small industry and handicraft production installations may only assign work to cooperative members and other laborers in the installation when they have looked into and set requirements for their knowledge about safety techniques and labor hygiene with respect to the work they will undertake.

F. Cooperative members and laborers in small industry and handicrafts production installations are responsible for fully carrying out the measures on safety and labor hygiene and the internal safety stipulations set forth by the installation.

G. Small industry and handicraft installations must implement the measures necessary to maintain the hygiene and health of women and teenagers. It is forbidden to use pregnant women and children under 16 years old in extremely heavy jobs and in places with many hazardous elements.

H. Statistics on the investigation of reports on labor accidents and mishaps must be completed in exact accordance with Decision No 45/LD-QD dated 20 March 1982.

1. All small industry and handicraft production installations must have a ledger for recording labor accidents.

2. When death or the injury of many people all at once occurs from a labor accident, the village federation and the labor, public health, and public security offices of the ward, district, and city must be notified immediately. The labor service is responsible for helping the ward, district, and city investigate labor accidents having complicated technical reasons.

3. Quarterly and at the end of the year statistical reports on labor accidents must be sent to the village federation and to ward, district, city, and municipality organizations.

## II. Requirements on Safety Techniques and Labor Protection

As stipulated above, the measures needed to prevent labor accidents and disease must be strictly carried out in small industry and handicraft production installations. If there are difficulties in implementation, the production installations must report directly to the village federation and to the upper level management organization (if any) in order to discuss measures for overcoming them and to set the time period for carrying the measures out.

But in all circumstances, small industry and handicraft production installations must immediately carry out the following:

A. The production location and space:

Concerning the production location and space, the stipulations in the provisional regulations on safety for machinery enterprises (QPVN, October 1977) must be implemented.

1. The workplace must be neat, orderly, clean, and well-lit.

2. Production installations having a lot of dust, noxious gas, and bad odors (from milling, minerals, polishing, filth, chemicals, etc.) must be separate and a safe distance from the surrounding area and have measures for blocking or getting rid of dust and noxious gas, and keeping them from exceeding permissible standards. Chemical solutions cannot be discharged into ditches, ponds, and the surrounding area and must be treated beforehand.

3. Use natural light in production, and production areas must ensure light. Set regular schedules for reviewing the hygiene of workshops, ditches, privies, toilets, etc., in order to improve hygiene and disease prevention, and protect the health of the laborer.

4. The workplace readily gives rise to burns from chemicals. There must be at the ready neutralizers and clean water for cleansing immediately upon occurrence.

[22 Jul 87 p 3]

## B. Machinery and equipment:

1. Labor accidents and mishaps readily occur when machinery and equipment such as cranes, disc saws, etc., are in operation. They must be operated in accordance with the provisional regulations on safety techniques for machinery enterprises (QPVN, October 1977).

2. "Self-manufactured and supplied" machinery and equipment absolutely must be inspected and certified before use as meeting safety requirements by the local safety techniques organization.

3. All machinery and equipment must have sufficient guards on moving parts (belts, gears, main drives, etc.).

4. Punch presses must have regularly scheduled maintenance inspections to avoid duplicate pressing and to have technical measures for preventing accidents to machine operators.

5. Grinders must have protective hoods to prevent accidents from broken grinding stones, and the grinding stone's speed cannot exceed its prescribed speed. The machine must have a platform which can be constantly adjusted to keep the distance between it and the grinding stone no more than 2 to 3 mm. If a two-stone grinder, there cannot be more than a 10-percent difference in the two stones.

6. When processing thin pieces of material on lathes, the part that sticks out the back of the machine must be covered and the cutting speed must be appropriate to keep the material from bending, causing shaking and banging.

7. Those operating machinery or working nearby must wear proper clothing; women must definitely wear hats covering the hair.

C. Electrical safety:

1. Only people who have been trained in electrical technology and electrical safety techniques may do electrical work (installation and repair of electrical equipment).

Laborers must be trained in providing first aid to electrical shock victims.

2. Electrical switches and breakers must clearly indicate purpose (used for machinery or motors and its turn-off direction).

3. Electrical switches and breakers must be placed in easily accessible operating locations so there are no mistakes when they need to be turned off quickly.

4. Switches must be tight and have a box for safety to prevent sparking when turning off power.

5. Electrical equipment must have fuses for protection, and the fuse wires must correspond to the allowable current of the equipment it protects.

6. Electric motors and electric equipment must be grounded for protection.

7. Power lines must meet exact standards and must be insulated. It is forbidden to hang electrical wire directly on poles, rafters, or trees.

8. A system of scheduled electrical inspection must be implemented to promptly detect and repair electrical defects.

D. Chemical safety: implement the articles in the provisional stipulations on safety in production and the use, storage, and transportation of dangerous chemicals with these essentials.

1. The production, preparation, packaging and transportation of chemicals must be strictly executed according to the guidance of specialized organizations without arbitrarily changing formulas, regulations, and operations in order to absolutely guarantee safety.

2. Explosive materials and combustibles such as benzene, essence, oil, sulphur, resin, rubber, crepe, etc., must be placed in covered containers in separate places away from sources of heat. When using them, there must be very specific technical regulations and regulations for dealing with eventualities.

3. There must be placed in areas with flammables fire prevention equipment for use in putting out fires, and there must be training for laborers in competently using the equipment for fighting fires successfully.

E. Arc and gas welding safety:

Safety in arc and gas welding must be carried out according to the stipulations in the safety regulations for welding tasks (QT DT-01-76) with these essentials.

1. Welders must go through a period of training, must clearly understand technical characteristics and be operationally competent, and must pass a test and meet standards before undertaking work.

2. Welding areas must be far from combustibles and cannot be put on sidewalks. There must be tall and wide screens to shield the light from those working and around.

[23 Jul 87 p 3]

[Text] F. Safety for pressurized bottles:

Concerning safety for pressurized bottles, carry out the stipulations in the regulations for pressurized equipment (QPVN, February 1975) and the safety regulations for gas containers (QPVN 2, March 1987) with these essentials:

1. Installations using gas containers, bottles of acetylene gas, bottles with pressure greater than 0.7 kg per sq cm, containers used for transporting liquid gas in which the gas pressure exceeds 0.7 kg per sq cm, etc., must register for inspection at the Labor Service prior to use and be given permission before using.

2. Containers and bottles absolutely cannot be left out in high temperatures in order to avoid explosions. Bottles of acetylene gas must be covered and must have fire extinguishers for safety.

3. Pressurized bottles must have enough safety valves and accurate pressure gauges, and not be dropped when transporting and when being used.

G. Safety in rock quarrying:

Concerning rock quarrying, measures stipulated in the safety regulations on rock quarrying (enacted in conjunction with Circular 12/LD-TT, dated 14 July 1964, and supplemented in Circular 06/LD-TT, dated 14 June 1974) must be carried out. Ensure when using explosives

that no one is working at the foot of the mountain or immediately above where people are operating. Tiers must be created for laborers to stand and work on, and roads up and down mountains must be built. If there is rock processing equipment, there must be shields from rock dust to prevent industrial disease.

#### H. Protective clothing:

Providing protective equipment to the laborer is essential. Depending on financial capabilities, make purchases accordingly. Any trade in danger of having accidents must fully equip laborers with such things as:

Shoes, gloves, and hats for welders and foundry workers.

Glasses for foundry workers, welders, etc.

Protective eyeglasses for grinders, lathe operators, etc.

1. People who process and grind lead material into powder for rock quarries, etc., absolutely must have clothing to protect laborers, hats, masks, gloves, glasses, and boots to prevent contracting industrial diseases.

2. Installations with acid or poisons such as ether anomic, etc., must provide boots, rubber aprons and gloves, and masks to prevent labor accidents and poisoning.

3. Women laborers tending machines must have hats covering the hair and proper clothing and shoes to prevent slipping and falling.

4. Cooperative members specializing in producing goods according to the state plan enjoy labor protection systems and are provided protective equipment as stated in Directive No 21/TTg dated 21 February 1968: "Concerning providing labor protective equipment, labor safety, and the morning and night shift meals, it is necessary to ensure provision to cooperative members as for workers of state enterprises in the same sector and in the same working conditions."

III. The responsibility of the cooperative management board and cooperative team, including the head of the private production household, regarding labor protection:

The management board of the cooperative and the head of the cooperative team, including the head of the private production household, are responsible for organizing completion of all aspects of labor protection in the units they manage, such as:

A. Correctly executing policies and stipulations on labor protection, strictly carrying out measures to prevent industrial accidents and disease, and formulating separate internal safety regulations for each trade and machine of the production installation.

B. Setting up the labor protection plan of the production installation at the same time as the production plan and, after approval by the congress of cooperative members (or team members), ensuring full implementation on schedule of the measures recorded in the plan.

C. Organizing education and training on safe working methods for laborers in production installations.

D. Satisfactorily organizing periodic health examinations for laborers, especially those doing hazardous or heavy work.

E. Organizing monthly and quarterly safety and labor hygiene inspections in production installations and promptly rectifying shortcomings.

F. Fully and correctly carrying out safety and labor hygiene measures recommended by investigatory groups.

G. Reporting and investigating statistics and reporting labor accidents according to existing procedures, and promptly executing the measures needed to keep accidents from recurring.

H. Reporting exactly as scheduled monthly and annually to the village federation, local labor organization, and before the congress of cooperative members on the status of carrying out labor protection efforts.

#### IV. Articles To Be Executed

A. These stipulations apply to all small industry and handicraft production cooperatives, cooperative teams, and individual households using machinery, electricity, chemicals, pressurized equipment, rock quarrying, and other production and processing installations.

B. If the above stipulations are not fully executed and a labor accident occurs which causes loss of a laborer's life or the property of the production installation, the cadre in charge, including the head of the private production household, of the aforementioned production installations will, depending on the seriousness of the wrongdoing, undergo administrative discipline and make material restitution or assume responsibility before the law.

Other laborers who have received careful guidance or have been trained in the technical regulations and internal safety regulations but are careless or make a mistake which causes a labor accident will also, depending on the seriousness of the wrongdoing, be disciplined or must assume responsibility before the law.

C. The management organizations of small industry and handicraft production installations at all levels and ward and district people's committees are responsible for publicizing, helping, inspecting, and encouraging production installations to carry out these regulations.

Labor and public health organizations, city, ward, district, subward, and village people's committees, and other related sectors are responsible for investigating and guiding implementation of these regulations and must have resolute measures including suspending work with a view toward ensuring the regulations on safety and labor hygiene.

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### **Temporary Regulation on Private Transportation**

42090009a Hanoi HANOI MOI in Vietnamese

4 Aug 87 p 1

[Text] In order to develop all potential transportation capabilities serving the people's need for traveling and transporting goods, the Hanoi Municipal People's Committee issues a temporary regulation to allow private people to operate transporting passengers and goods by land and water motorized means as follows:

1. All citizens or groups of citizens having the means, technical knowledge, and health are encouraged to engage in the occupation of transporting passengers and goods by motorized means (buses, passenger cars, Lambrettas, motorcycles, boats, junks, and so on). Owners of these means can operate them by themselves or hire operators and assistants.

Private people who want to operate motorized means of transportation of passengers and goods must apply for registration of such operations at the Hanoi Communications and Transportation Service and fully obey the municipality's rules on communication order.

2. Private operators of means of passenger and goods transportation have the obligation to pay taxes to the state in accordance with current policies. As an encouragement for development of private transportation, they do not have to pay taxes for the first 6 months of operations.

After having fulfilled the tax obligation, they can keep the remaining income as theirs, which is fully protected by the state.

3. The state, through the organs in charge of supplying materials and the state commercial sector, sells them means of transportation, materials, spare parts, raw materials, and fuels, and encourages and creates favorable conditions for them to buy and build means of transportation by themselves and to receive means of transportation, materials, and spare parts sent to them from abroad.

4. Private operators of means of passenger and goods transportation must operate within the planned network of the municipality's communications and transportation sector. Freight charges are set by the state on the basis of this principle: to ensure for transportation operators balanced receipts-expenses and profits, and at

the same time acceptance by passengers. Beyond the hours of operations on designated lines, they have the right to sign contracts to provide other services in accordance with customer needs at agreed prices.

Active cadres, workers, and civil servants can be such operators in the hours beyond their work schedules in organs or enterprises, on days-off and holidays, during leaves, and so on.

5. Private operators of means of passenger and goods transportation are allowed to open bank accounts in accordance with current rules and to withdraw cash as planned to satisfy production and service needs. If they need foreign currencies to import foreign materials and equipment, the municipality will provide guarantee for them to buy such currencies at the rate set by the state.

6. Directors of municipal services—Communications and Transportation, Public Security, Finance, Banking, Taxation, Urban Construction, Public Health, and so on—on the basis of this regulation are to issue guidelines for its implementation.

7. Municipal services, committees, and sector, ward, district, and city people's committees are responsible for management and for creating favorable conditions for private operators of motorized means of passenger and goods transportation to do their work with ease. Those who properly implement this regulation will be rewarded. Those who work against it or cause difficulties and obstacles for its implementation will be properly punished.

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### **Weather, Fertilizer Shortage Threaten Rice Crop**

42090003b Hanoi QUAN DOI NHAN DAN

in Vietnamese 29 Jul 87 p 3

[Article by Thieu Quang Bien: "Rice Crop in Hau Giang"]

[Excerpt] Hau Giang is a key rice-growing province in the Mekong delta and leads the nation in terms of both cultivated area and rice production. Its land is basically low and allows tidal water to enter its inland areas and to cause difficulties for agricultural production. Prior to 1975, its rice crops primarily depended on nature, with the volume of production amounting to about 800,000 tons per year. After liberation, the state was making capital investments, along with the people to quickly develop water conservancy projects, and dig main canals and ditches cutting through ricefields.

With canals now linking Hau Giang with Kien Giang and being part of the Cai San-Va Mo canal network, fresh water has thus been brought into Cai Be River to counterbalance the heavy alum and saline content of its water and to turn the northern part of Hau Giang, which used to be an area for floating and tenth-month rice, into

a high-yield summer and autumn rice-growing zone. The southern part of Hau Giang has the Long Phu-Ta Liem water conservancy network, which has sweetened a large area covering My Tu, Long Phu, and the City of Soc Trang. Along with the water conservancy measure, the results of the seed-selecting work of the Institute of Plant Seeds and Can Tho College have quickly increased the rice production of Hau Giang, to 1.52 million tons in 1984. But in the last 2 years, the volume of rice produced was decreasing, down to only 1.33 million tons in 1986. Of the reasons that had led to this decrease unfavorable weather and a shortage of fertilizer were the noteworthy ones. This year, particularly during the summer, autumn, and 10th-month crops, these two difficulties have reappeared and have been more serious.

In past years, in the Mekong River delta rains came in mid-April. Sowing for summer and autumn rice also started around that time. But this year it has been different. Rain did not come until mid-May and its amount was negligible, and drought lasted longer. Hau Giang has taken many positive measures to encourage farmers to increase the area for growing rice without transplanting.

Nguyen Ngoc Yen, deputy director of the Agricultural Service, has estimated that Hau Giang could grow the 10th-month rice in 270,000 hectares, or 10,000 hectares lower than the goal set in its plan. His estimate may be overly optimistic.

Because of late planting, Hau Giang's rice crop is encountering a serious threat of flood. In past years around mid-September flood came to the Mekong delta, with flood water rising an average of 10 centimeters in 24 hours. If flooding occurs at this same time this year, most summer and autumn rice plants will not be ripe enough to be harvested yet. The floating rice will not have been 3 months old yet. This is a critical time

because the variety of floating rice that is being grown in the Mekong delta and in Hau Giang must be 3 months old to begin to branch, which will allow them to overcome flooding by rising above the water level no matter how much this level rises and thus to avoid being submerged. But if the rice plants are less than 3 months old and have not yet branched, they will be submerged and drowned, which means a total loss. Never before did farmers worry about their rice plants being flooded as profoundly as they are worrying now, a worry that actually started at the time they began the sowing.

In addition to the obstacles caused by drought, this year Hau Giang has been facing a serious shortage of fertilizers for its rice production. According to its plan, for the 130,000 hectares of summer and autumn rice the need is 2,600 and 1,950 tons of nitrate and phosphate fertilizers, respectively, based on the rate of 20 and 15 kg, respectively, per hectare. For the 280,000 hectares of 10th-month rice the need is 4,200 tons of nitrate fertilizer, or 15 kg per hectare. But according to Hau Giang Agricultural Service statistics, as of 15 June, only 1,150 tons of urea nitrate fertilizer (including the quantities that the central administration sent directly to Long Phu District) were supplied for the summer and autumn rice crop. As for the 10th-month rice crop, not even a single kilogram of fertilizer was supplied yet. The province has used a quantity of paddy taken from its reserve to exchange for fertilizer, but it is not enough. Tens of thousands of hectares of rice plants which have been grown without transplanting are totally without fertilizer or have received negligible quantities of fertilizer. The shortage of fertilizer has also been an important reason behind the decrease of the area in which rice has been grown without transplanting.

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